

Budget 2012/13 to
2014/15
George Municipality
Medium Term Revenue and
Expenditure Framework

29 May 2012



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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

Part 1 – Annual Budget

1.1 - Mayoral Budget Speech

The budget speech is included as a separate document.

Executive Mayor

1.2 - Council Resolutions

On 29 May 2012 the Council of George Municipality had a meeting to approve the annual budget for the year 2012/13 and MTREF. The Council adopted the following resolutions:

- (a) that the following draft policies be approved:
 - (i) Tariff policy (Annexure 5 to the Budget Document);
 - (ii) Customer care, credit control and debt collection (Annexure 6 to the Budget Document);
 - (iii) Indigent policy (Annexure 7 to the Budget Document);
 - (iv) Property rates policy (Annexure 8 to the Budget Document);
 - (v) Cash Management and Investment Policy (Annexure 9 to the Budget Document);
 - (vi) Virement Policy (Annexure 10 to the Budget Document);.
- (b) that the draft annual budget for the financial year 2012/13 and indicative outer years 2013/14 and 2014/15 be approved as set-out as follows:
 - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
 - (ii) Capital funding by source as contained in annexure "A" to the agenda;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;
- (c) that property rates as reflected in the report be imposed for the budget year 2012/13;
- (d) that tariffs and services charges as reflected in the formal tariff list be approved for the budget year 2012/13 (Annexure 4 to the Budget Document);
- (e) that the draft Service Delivery and Budget Implementation Plan (SDBIP) be tabled for the budget year 2012/13 as contained in Annexure 11 to the Budget Document;

- (f) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;
- (g) that the Budget Document for 2012/13 – 2014/15 as outlined in the budget regulations be submitted to National and Provincial Treasury.

1.3 – Budget 2011/12 Mid-year Review and adjustments budget

The following table shows the original and adjustments budget for 2011/12.

R'000	Original Budget 2011/12	MYR Adjusted Budget 2011/12	Difference
Capital	R162 912	R133 325	-R29 587
Operating Income	R988 486	R1 014 446	R29 960
Operating Expenditure	R965 196	R994 091	R28 895

The 2011/12 adjustments budget was taken into account in the preparation of the 2012/13 MTREF. In particular, the capital budget must be set at a level that is realistic in terms of the capacity to deliver and the ability to fund.

1.4 – Executive Summary

The Budget Committee was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- The addressing of an impending shortfall in the adjustments budget in February 2012 and its effect on the available funding;
- The funding constraints with regards to the funding of the Capital Budget;
- The fact that George Municipality is “over borrowed”;
- Nersa’s directive that bulk purchases will increase by 13, 5% for municipalities and municipal electricity tariff increase should not exceed 11, 03%.

The following strategy decisions as contained in Council’s Long Term Financial Plan underpins the final budget:

- (a) The municipality needs to focus on its core functions. During the adjustments budget the Budget Committee, Portfolio Councillors in conjunction with the Heads of Departments, scrutinised the budget to affect all possible savings;
- (b) The need to maximise income through effectiveness and not necessary rates and service charge increases was again emphasised. Targets have been determined in certain cases;

- (c) A separate income enhancement exercise is in a planning phase to determine whether all consumers are billed and are contributing to the municipality's income;
- (d) Sufficient provision for debtor's impairment should be made in the 2012/2013 operating budget. The writing off of bad debts will also be scrutinized to ensure that this is done within proper credit control measures;
- (e) Provision should be made for a contribution to the capital replacement reserve (CRR) in the 2012/13 operating budget;
- (f) The policy relating to capital contributions is being scrutinised to ensure that the municipality does not subsidise developers in terms of infrastructure developments;
- (g) Greater emphasis is put on cash management to improve liquidity;
- (h) The Budget Committee emphasised the fact that the 2012/2013 budget will be a maintenance budget contained within available cash funds without new capital projects funded from External loans;
- (i) All attempts need to be made to maximise National and Provincial Government grants to fund capital projects;
- (j) The marketing of available land is being reconsidered in an attempt to improve the sale of land.

The 2011/12 adjustment budget in February 2012 again proved that the ability of Council to reduce costs is limited due to the fact that the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget nonetheless defined the basis for the draft budget and final budget.

Salaries, depreciation, interest on external loans and bulk purchases of electricity absorbs $\pm 60\%$ of the budget.

In spite of the abovementioned challenges, the Budget Committee, with the exception of electricity sales, managed to restrict all tariff increases to single digit increases with an average of 8%.

The George Municipality aims to introduce a reliable, affordable, scheduled public transport service. The first services were scheduled to commence early in 2012, but negotiations with the Operating Company have not yet been concluded. The introduction of these services requires that the fare structure for George be included in the tariffs list and that the approved fare structure be Gazetted. The proposed tariffs will be finalised once the negotiations between Government (Council and Province) and the Operating Company have been concluded.

National Treasury sent out MFMA Circular No. 58 on 14 December 2011 providing guidance to municipalities on their 2012/13 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 58 was followed up by Circular no. 59 dated 16 March 2012. Circular No. 58 & 59 reminds us of the key focus areas for the 2012/2013 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54 and 55. It is essential reading material in order to understand the background to this budget. Circular no. 58 & 59 are attached as Annexure 10 and 11 respectively in the Budget document.

Fiscal Overview of George Municipality

During the LGMTEC 3 visit the provincial treasury reported as follows in their draft overview of the municipality:

“Socio-economic reality evident in the Municipality

Over the past decade, the George economy has shown generally good growth, mostly around 5 per cent. George’s economy was also affected by the global recession towards the end of the decade, and experienced economic decline in 2009.

The sectors with the largest contribution to George’s regional gross domestic product (2009) are the Finance, insurance, real estate and business services (29.6%), Manufacturing (17.7%), Wholesale and retail trade; Catering and accommodation sectors (8.3%).

Some of these, such as the Wholesale and retail trade, Catering and accommodation (15.5%) and Manufacturing sectors (12.1%) also contributed significantly to employment. Other sectors which also employed significant large proportions of the working population were the Community, social and personal services (15.5%) and Construction sectors (13.5%).

Between 2001 and the 2007, the unemployment rate dropped considerably from 29.6 per cent to 17.9 per cent. The municipality’s 2012 – 2017 draft IDP quotes an unemployment figure of 18 per cent in 2009 (Quantec, data 2012).”

The following strategic decisions were taken during the financial year:-

- (a) That the municipality starts focussing on its core functions to effect savings on the operating budget. For this purpose the Finance Committee in conjunction with the Heads of Departments, scrutinise every expenditure vote to determine whether savings can be affected;
- (b) That the income budget is revised to maximise income through effectiveness and not necessary rates and service charge increases. Targets in certain cases must be determined;
- (c) That a separate income enhancement exercise must be undertaken to determine whether all consumers are billed and are contributing to the municipality's income;
- (d) That sufficient provision for debtor's impairment is made in the 2012/2013 operating budget;
- (e) That at least a 10% provision to the capital replacement reserve is made in all future operating budgets;

- (f) That the policy relating to capital contributions be scrutinised and the municipality must not subsidise or act as a bank for developers;
- (g) That reporting to the Finance Committee is adjusted to focus on cash management to improve liquidity;
- (h) That Council accepts the fact that the 2012/2013 budget will only be a maintenance budget without new capital projects;
- (ii) That subsidies from National and Provincial Government be maximised;
- (j) That the marketing strategy for available land be reconsidered.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- ☛ Realistically anticipated revenues to be collected;
- ☛ Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- ☛ Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance (Income Statement), the Budgeted Statement of Financial Position (Balance Sheet) and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- ☛ Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- ☛ Is achievable in terms of agreed service delivery and performance targets;
- ☛ Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

1.5 – Budget Overview of the 2012/13 MTREF

This section provides an overview of the George Municipality's 2012/13 to 2014/15 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of George Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in George. George alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 58, the following headline forecasts underpin the national 2012 Budget:

Fiscal Year	2010/11 Actual	2011/12 Estimate	2012/13	2013/14	2014/15
			Forecast		
Headline CPI Inflation	3,3%	5,0%	5,4%	5,6%	5,4%

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macro economic policies, unless it can be shown that external factors impact otherwise.

The budget process in George followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor in August 2011.

A Budget Committee was established in November 2011 to examine, review and prioritise budget proposals from departments.

The Draft budget was tabled on 29 March 2012. The Final budget will be approved by Council on the 29th May 2012.

Over the 3 year period, the Municipality is planning to spend R481 million on capital investment for the infrastructure needs of the town. In 2012/13 the capital budget is R150 million. Operating expenditure in 2012/13 is budgeted at R983 million.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These “key deliverables” link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality’s in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

Table 1 Consolidated Overview of the 2012/13 MTREF

	Adjustments Budget 2011/12	Budget Year 2012/13	Budget Year 2013/14	Budget Year 2014/15
Total Operating Revenue	1,014,445,618	1,042,618,960	1,075,588,668	1,126,921,666
Total Operating Expenditure	994,092,311	983,290,146	1,038,931,380	1,081,298,426
Appropriations	20,130,969	59,268,358	36,496,105	45,328,764
(Surplus)/Deficit	-222,338	-60,456	-161,183	-294,476
Total Capital Expenditure	133,325,150	150,922,033	151,908,300	178,800,600

1.6 – Operating Revenue Framework

For George Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality’s revenue strategy is built around the following key components:

- National Treasury’s guidelines, Circular No. 58 & 59;
- The municipality’s Property Rates Policy;
- The municipality’s Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue sources

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue By Source									
Property rates	100,329	104,491	118,748	139,499	132,499	132,499	143,847	151,464	160,495
Property rates - penalties & collection charges	1,567	1,322	1,330	1,435	1,435	1,435	1,521	1,612	1,709
Service charges - electricity revenue	212,090	267,361	310,240	398,479	381,179	381,179	408,871	444,905	479,481
Service charges - water revenue	62,936	56,002	61,864	95,316	85,316	85,316	73,742	76,358	80,637
Service charges - sanitation revenue	44,889	40,852	46,462	62,118	66,155	66,155	58,230	62,879	67,846
Service charges - refuse revenue	33,334	26,305	30,484	48,472	49,830	49,830	38,932	42,046	45,351
Service charges - other	10	8	13	10	360	360	352	374	397
Rental of facilities and equipment	1,857	1,819	1,829	1,800	1,870	1,870	2,023	2,137	2,258
Interest earned - external investments	25,465	14,673	14,773	5,250	11,750	11,750	12,455	13,202	13,994
Interest earned - outstanding debtors	5,003	4,127	4,296	3,170	4,020	4,020	4,061	4,285	4,522
Dividends received	-	-	-	-	-	-	-	-	-
Fines	11,331	3,759	13,149	13,253	16,253	16,253	17,248	18,281	19,376
Licences and permits	2,538	2,762	2,106	2,184	2,184	2,184	2,315	2,454	2,601
Agency services	4,956	5,120	5,427	5,695	5,695	5,695	6,182	6,534	6,906
Transfers recognised - operational	78,263	62,597	137,138	128,450	165,648	165,648	156,843	167,789	156,175
Other revenue	16,406	10,943	9,945	7,306	7,862	7,862	14,431	6,797	7,182
Gains on disposal of PPE	777	95	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	601,753	602,237	757,805	912,436	932,055	932,055	941,052	1,001,118	1,048,931

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality and also capital transfers and contributions.

The following table gives a breakdown of the various grants allocated to the municipality over the medium term:

Table 3 Grants Allocation

Local government allocations 2012/13 – 2014/15			
	Medium Term Estimates		
R '000	2012/13	2013/14	2014/15
National Grants	142 600	140 107	150 313
Equitable share	80 370	86 196	92 766
Infrastructure (MIG)	44 044	46 461	49 147
Electrification Programme	8 400	1 500	2 000
Financial Management (FMG)	1 250	1 250	1 250
Municipal Systems Improvement	800	900	950
George Bulk Water Supply Augmentation	3 000	-	-
Expanded Public Works Programme Incentive Grant	1 736	-	-
Infrastructure Skills Development	3 000	3 800	4 000
Provincial Grants	71 631	83 788	62 321

Integrated Housing & Human Settlement & Development Grant	44 794	37 774	39 662
Library Services	1 364	-	-
Community Development Worker Operational Support Grant	162	168	168
Integrated Transport Planning	396	396	396
Proclaimed Roads	13 415	20 000	-
GIPTN – Operation	10 000	23 950	20 595
GIPTN – Infrastructure	1 500	1 500	1 500
Total Allocations	214 231	223 895	212 634

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 20:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The Council of the George Municipality determined, in terms of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) and the Municipal Finance Management Act, 2003 (Act No.56 of 2003), property rates and services charges in order to balance its 2012/2013 Budget. The property rates and services charges become effective from 1 July 2012.

1. **RATES IN TERMS OF THE MUNICIPAL PROPERTY RATES ACT, 2004 (ACT NO. 6 OF 2004), INCLUDING DMA AREAS, WILL BE LEVIED AS FOLLOWS:**

1.1 **PROPERTY TAX ON ALL RESIDENTIAL ZONED PROPERTIES IN THE GREATER GEORGE MUNICIPAL AREA** is as follows:

The tariff applied to the total valuation : R0, 005014

1.2 **PROPERTY TAX ON ALL BUSINESS / INDUSTRIAL ZONED SITES IN THE GREATER GEORGE MUNICIPAL AREA** is as follows:

The tariff applied to the total valuation : R0, 006021

2. **THE FOLLOWING EXCLUSIONS / EXEMPTIONS / REBATES ON PROPERTY RATES WILL BE GRANTED:**

2.1 **EXCLUSION OF IMPERMISSIBLE RATES**

In terms of Section 17 of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004) a Municipality may not levy a rate

- 2.1.1 on the first 30% of the market value of the public service infrastructure;
- 2.1.2 on those parts of a nature reserve, national park or nature reserve within the meaning of the Protected Areas Act;
- 2.1.3 on the first R15 000.00 of the market value of a property assigned in the valuation or supplementary roll to a category determined by the Municipality:
 - (i) for improved and unimproved residential properties;
 - (ii) for properties used for multiple purposes;
- 2.1.4 on a property registered in the name of and used primarily as a place of public worship, including an official residence which is occupied by an office-bearer.

2.2 **REBATE IN RESPECT OF ZONING**

- 2.2.1 Sites zoned for residential purposes and used for residential purposes only and of which the total valuation is R100 000.00 or less, will automatically be exempt from property rates;
- 2.2.2 Regarding sites zoned for residential purposes and used for residential purposes only and of which the valuation is R100 001.00 or more no exemption as stipulated in 2.2.1 above will apply. Section 2.1.3 will apply in these circumstances where an impermissible exclusion will be awarded on the first R15 000.00 of the valuation of the property. A rebate of 20 percent on the rates payable will be granted on the balance of the property valuation exceeding the R15 000.00 exclusion.

2.3 **REBATE IN RESPECT OF INCOME**

With regard to paragraph 2.2.2 the following additional rebates, to a maximum of 40 percent, will be granted to persons applying before 30 June 2012:

<u>Ratepayer with an annual income of</u>			<u>Percentage rebate</u>
R0	-	R32 000.00	40%
R32 001.00	-	R38 500.00	30%
R38 501.00	-	R46 000.00	20%
R46 001.00	-	R53 000.00	10%

For the purposes of 2.3 a ratepayer will be defined as follows: “A registered owner of rateable property who inhabits and controls the property and is responsible for the payment of rates on the property”;

For the purpose of 2.3 the income of a ratepayer will be determined as the total income of the ratepayer and his/her spouse from all sources, plus income of all resident children from all sources.

2.4 **REBATE IN RESPECT OF AGRICULTURAL PROPERTIES THAT ARE ZONED AND USED FOR AGRICULTURAL PURPOSES**

2.4.1 A rebate of 75% on rates (refer to 1.1) will be granted in respect of properties which are zoned and used for agricultural purposes;

2.4.2 No rebate on rates will be granted to businesses operating on agricultural properties.

2.5 **REBATE FOR PROPERTY OF THE STATE AND SCHOOLS**

2.5.1 A rebate of 20% on rates will be granted to the state and schools based on the tariff applicable in the George Area as outlined in section 1.2 above.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 7% increase from 1 July 2012 is contained below:

Table 4 Comparison of proposed rates to be levied for the 2012/13 financial year

Category	Current Tariff (1 July 2011) cent	Proposed tariff (from 1 July 2012) cent
Residential properties	0.004622	0.005014
State owned properties	0.005163	0.006021
Business & Commercial	0.005163	0.006021
Agricultural	0.004622	0.005014
Vacant land	0.004622	0.005014
Municipal rateable	-	-
Industrial	0.005163	0.006021
Non-permitted use	-	-
Public benefit organisation properties	0.004622	0.006021

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

A tariff increase of 8% from 1 July 2012 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents.

The current year tariff structure of the DMA and George area are different. Council took the decision to implement the George tariff structure for the DMA, with a 8% increase in the current tariff.

A summary of the proposed tariffs for households (residential) and non-residential in George are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/12 Rand per kℓ	PROPOSED TARIFFS 2012/13 Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	Free	Free
(ii) 6 to 12 kℓ per 30-day period	8,82	9,53
(iii) 12 to 20 kℓ per 30-day period	10,15	10,96
(iv) 20 to 30 kℓ per 30-day period	12,18	13,15
(v) 30 to 50 kℓ per 30-day period	14,62	15,79

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kℓ	Rand per kℓ
(vi) 50 kℓ per 30-day period	16,67	18,00
NON-RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period	8,82	9,53
(ii) 6 to 12 kℓ per 30-day period	8,82	9,53
(iii) 12 to 20 kℓ per 30-day period	10,15	10,96
(iv) 20 to 30 kℓ per 30-day period	12,18	13,15
(v) 30 to 50 kℓ per 30-day period	13,36	14,43
(vi) 50 kℓ per 30-day period	14,62	15,79

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	134,12	144.85	10.73	8.00%
30	255,92	276.39	20.47	8.00%
40	402,12	434.29	32.17	8.00%
50	548,32	592.19	43.87	8.00%
80	1 048,42	1,132.29	83.87	8.00%
100	1 381,82	1,492.37	110.55	8.00%

A summary of the proposed tariffs for households (residential) and non-residential in the DMA area is as follows:

Table 7 Current Water Tariffs: DMA area

CATEGORY	CURRENT TARIFFS 2011/12
	Rand per kℓ
RESIDENTIAL	
(i) 0 to 6 kℓ per 30-day period	Free
(ii) 6 to 20 kℓ per 30-day period	3,92
(iii) 20 to 30 kℓ per 30-day period	4,91
(vi) 30 kℓ per 30-day period	6,65

Table 8 Proposed Water Tariffs: DMA area

CATEGORY	PROPOSED TARIFFS 2012/13
	Rand per kℓ
RESIDENTIAL	
(i) 0 to 6 kℓ per 30-day period	Free
(ii) 6 to 12 kℓ per 30-day period	4,32
(iii) 12 to 20 kℓ per 30-day period	4,86
(iv) 20 to 30 kℓ per 30-day period	5,84
(v) 30 to 50 kℓ per 30-day period	7,00
(vi) 50 kℓ per 30-day period	7,99
NON-RESIDENTIAL	
(i) 0 to 6 kℓ per 30-day period	4,23
(ii) 6 to 12 kℓ per 30-day period	4,23
(iii) 12 to 20 kℓ per 30-day period	4,86
(iv) 20 to 30 kℓ per 30-day period	5,84
(v) 30 to 50 kℓ per 30-day period	6,40
(vi) 50 kℓ per 30-day period	7,01

The tariff structure of the 2011/12 financial year for the George area has not been changed, only that of the DMA area. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R18, 00 per kilolitre for consumption in excess of 50kℓ per 30 day period.

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 13.5% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012.

Considering the Eskom increases, the consumer tariff had to be increased by 11.03 % to offset the additional bulk purchase cost from 1 July 2012.

Registered indigents will be granted 50 kWh per 30-day period free of charge. In addition the 20 kWh units that all other residential customers are currently receiving free of charge will be discontinued as from 1 July 2012.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

**Table 9: Comparison between current electricity charges and increases
Domestic – Single phase consumer: one part Pre-Paid (VAT exclusive)**

Monthly consumption kWh	Current amount Payable 106,11 c / unit R	Proposed amount Payable 117,81 c / unit R	Difference (Increase) R	Percentage change
100	84,89	117,81	39,92	38,78%
250	244,05	294,53	50,48	20,68%
500	509,33	589,05	79,72	15,65%
750	774,60	883,58	108,98	14,07%
1 000	1 039,88	1 178,10	138,22	13,29%
2 000	2 100,98	2 356,20	255,22	12,15%

Indigent – single phase consumers: One part Pre-paid meter (VAT exclusive)

Monthly consumption kWh	Current amount Payable 73,38 c / unit R	Proposed amount Payable 81,47 c / unit R	Difference (Increase) R	Percentage change
100	22,01	40,74	18,73	85,10%
250	132,08	162,94	30,86	23,36%
500	315,53	366,62	51,09	16,19%

Indigent households receive 70 kWh free units per month. From 2012/13 the free units will be 50 kWh.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality has entered into discussions with NERSA regarding the suitability of the NERSA proposed stepped tariffs compared to those already being implemented by the Municipality. Until the discussions are concluded, the Municipality will maintain the current structure of its electricity tariffs.

Sanitation and Impact of Tariff Increases

A tariff increase of 8% for sanitation from 1 July 2012 is proposed.

The following table compares the current and proposed tariffs:

Table 10 Comparison between current sanitation charges and increases:

CURRENT TARIFF 2011/12 Rand per year	PROPOSED TARIFF 2012/13 Rand per year	DIFFERENCE R	% INCREASE
1 445.99	1 561.67	115.68	8.00%

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel, as well as the operating cost of the transfer station and the cost of remuneration. Ring-fencing as a principle has been adopted by the budget committee but will have to be phased in as part of the long-term financial plan.

An 8% increase in the waste removal tariff is proposed from 1 July 2012.

Table 11: Comparison between current waste fees and increases for a single dwelling-house

CURRENT TARIFF 2011/12 Rand per year	PROPOSED TARIFF 2012/13 Rand per year	DIFFERENCE R	% INCREASE
1 144.00	1 236.00	92.00	8.00%

The following table compares current and proposed amounts payable from 1 July 2012:

Table 12 Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2011/12		PROPOSED TARIFFS 2012/13	
	Per litre (per service) (R)	Per month (R)	Per litre (per service) (R)	Per month (R)
Tariff per container per month or part of a month: Areas serviced by means of: (Tariff is multiplied by the number of service rounds per week and the number of containers.)				
7 X 85l container (black bag) removed once a week	0.0401	95.33	0.0433	103.00
1 x 240l container removed once a week	0.1627	156.17	0.1757	168.67
2 x 240l container removed 3 times a week	0.2084	600.17	0.2251	648.17

Overall impact of tariff increases on households

The following table shows the overall expected impact of tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 13 MBRR Table SA14 – Household bills

WC044 George - Supporting Table SA14 Household bills

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % Incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		275.25	300.00	327.00	346.65	346.65	346.65	7.0%	370.92	393.17	416.76
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		553.80	719.91	863.87	1,039.88	1,039.88	1,039.88	13.3%	1,178.10	1,307.00	1,385.42
Water: Basic levy		37.21	41.68	47.52	50.37	50.37	50.37	8.0%	54.40	57.66	61.12
Water: Consumption		165.88	191.70	241.46	255.92	255.92	255.92	8.0%	276.39	292.98	310.56
Sanitation		84.48	104.29	113.68	120.50	120.50	120.50	8.0%	130.14	137.95	146.22
Refuse removal		68.04	78.25	89.92	95.33	95.33	95.33	8.0%	103.00	111.25	120.17
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1,184.66	1,435.83	1,683.45	1,908.65	1,908.65	1,908.65	10.7%	2,112.95	2,300.01	2,440.26
VAT on Services		127.32	159.02	189.90	218.68	218.68	218.68	11.5%	243.88	266.96	282.97
Total large household bill:		1,311.98	1,594.85	1,873.35	2,127.33	2,127.33	2,127.33	10.8%	2,356.83	2,566.97	2,723.23
% increase/-decrease			21.6%	17.5%	13.6%	–	–	10.8%	8.9%	6.1%	
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		55.05	60.00	65.40	69.33	69.33	69.33	7.0%	74.18	78.63	83.35
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		270.12	351.14	421.36	507.21	507.21	507.21	15.7%	586.69	651.41	690.49
Water: Basic levy		37.21	41.68	47.52	50.37	50.37	50.37	8.0%	54.40	57.66	61.12
Water: Consumption		128.58	149.70	184.01	195.02	195.02	195.02	8.0%	210.62	223.26	236.65
Sanitation		84.48	104.29	113.68	120.50	120.50	120.50	8.0%	130.14	137.95	146.22
Refuse removal		68.04	78.25	89.92	95.33	95.33	95.33	8.0%	103.00	111.25	120.17
Other		–	–	–	–	–	–	–	–	–	–
sub-total		643.48	785.06	921.88	1,037.76	1,037.76	1,037.76	11.7%	1,159.04	1,260.16	1,338.01
VAT on Services		82.38	101.51	119.91	135.58	135.58	135.58	12.0%	151.88	157.34	166.78
Total small household bill:		725.86	886.57	1,041.79	1,173.34	1,173.34	1,173.34	11.7%	1,310.92	1,417.50	1,504.79
% increase/-decrease			22.1%	17.5%	12.6%	–	–	11.7%	8.1%	6.2%	
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		22.60	29.38	35.26	42.44	42.44	42.44	66.5%	70.69	78.42	83.13
Water: Basic levy		37.21	41.68	47.52	50.37	50.37	50.37	8.0%	54.40	57.66	61.12
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		84.48	104.29	113.68	120.50	120.50	120.50	8.0%	130.14	137.95	146.22
Refuse removal		68.04	78.25	89.92	95.33	95.33	95.33	8.0%	103.00	111.25	120.17
Other		–	–	–	–	–	–	–	–	–	–
sub-total		212.34	253.61	286.38	308.65	308.65	308.65	16.1%	358.22	385.28	410.64
VAT on Services		29.73	35.50	40.09	43.21	43.21	43.21	16.1%	50.15	53.94	57.18
Total small household bill:		242.07	289.11	326.47	351.86	351.86	351.86	16.1%	408.37	439.22	467.82
% increase/-decrease			19.4%	12.9%	7.8%	0.0%	–	16.1%	7.6%	6.5%	

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

1.7 – Operating Expenditure Framework

The expenditure framework for the 2012/13 budget and MTREF is informed by the guidelines of National Treasury.

The operating expenditure decreased from R994 million (2011/12) to R983 million in 2012/13.

The following table is a summary of the 2012/13 MTREF (classified by main expenditure types):

Table 14 Summary of operating expenditure by type

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Expenditure By Type									
Employee related costs	181,719	219,740	227,743	231,321	235,852	235,852	260,586	276,434	292,414
Remuneration of councillors	9,188	9,758	10,691	12,913	13,966	13,966	15,472	16,245	17,057
Debt impairment	6,770	13,946	27,524	11,476	11,476	11,476	21,294	21,692	30,892
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Finance charges	31,750	47,342	52,848	59,085	57,252	57,252	54,028	50,649	46,911
Bulk purchases	119,763	151,841	192,836	249,284	247,284	247,284	279,863	317,694	360,699
Other materials	435	331	324	352	191	191	194	197	203
Contracted services	48,713	34,039	94,627	80,719	116,640	116,640	100,374	108,287	84,902
Transfers and grants	41,324	5,508	5,124	65,194	64,511	64,511	2,011	2,076	2,147
Other expenditure	154,806	150,596	145,187	162,400	143,225	143,225	147,480	150,621	155,039
Loss on disposal of PPE	2,345	2,467	440	-	-	-	-	-	-
Total Expenditure	657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298

The overall decline of 1.1% can be attributed to several expenditure components.

Reasons for significant cost variances:

- Employee related costs – Provision for additional staff was made.
- Debt impairment – The calculation is based on the 2011/12 collection ratios and also the current economic climate in the town.
- Bulk purchases – The increase is based on the tariff for bulk purchases as set out by NERSA.
- Contracted Services – The budget for contracted services has declined from R116 million (2011/12) to R100 million (2012/13). This is mainly due to the finalisation of the Housing projects in the current financial year.
- Transfers and grants – The decline is due to the correct GRAP compliant treatment of the equitable share allocation.

Table 15 Depreciation and Repairs and maintenance per asset class

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Repairs and Maintenance by Asset Class	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994
Infrastructure - Road transport	17,168	18,864	19,301	19,340	15,152	15,152	19,301	20,034	20,841
Infrastructure - Electricity	11,414	7,182	6,688	10,096	6,836	6,836	8,070	8,543	8,943
Infrastructure - Water	6,799	6,307	3,506	7,718	6,739	6,739	6,849	7,193	7,555
Infrastructure - Sanitation	6,475	6,657	9,648	9,225	9,325	9,325	9,660	10,497	11,355
Infrastructure - Other	20	-	1	10	6	6	11	11	12
Infrastructure	41,876	39,010	39,145	46,389	38,058	38,058	43,890	46,277	48,705
Community	1,685	2,011	3,488	2,392	2,832	2,832	3,277	3,389	3,451
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	10,439	11,425	12,731	16,332	15,802	15,802	17,451	18,109	18,838
TOTAL EXPENDITURE OTHER ITEMS	114,453	132,008	149,866	157,565	160,388	160,388	166,606	162,813	162,028

1.8 – Capital Budget

The capital budget increased from R133 million (2011/12) to R150 million in 2012/13. Due to the impact of the growth in external funding on the operating budget it was decided not to take up any external loans for 2012/13.

Table 16 Capital funding by source

Vote Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funded by:									
National Government	30,253	88,032	55,879	64,158	44,633	44,633	56,992	41,384	55,096
Provincial Government	34,390	7,078	10,851	6,000	18,569	18,440	34,454	28,060	36,000
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	0	4,286	5,438	4,000	3,000	3,000	0	-	-
Transfers recognised - capital	64,642	99,396	72,168	74,158	66,202	66,073	91,446	69,444	91,096
Public contributions & donations	0	3,000	-	-	259	259	-	-	-
Borrowing	130,278	126,319	47,704	53,770	20,326	20,326	11,350	2,000	2,000
Internally generated funds	642,025	14,352	16,762	34,984	46,538	46,667	48,126	80,464	86,143
Total Capital Funding	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239

Internal Funding

One of the main problems impacting on the capital budget was the expected contributions to the Capital Replacement Reserve (CRR) for the current year. At the mid-year assessment the capital contribution votes under collected and projected below the budgeted figures.

This situation also accentuated the fact that emphasis must be put on expanding the current income sources and exploring other income sources.

The 2011/12 Capital Adjustments Budget required a contribution of R 13,6 million from the cash reserves. This amount is envisaged to be realized from the vigorous

application of the credit control and debt collection measures. The request for a contribution will serve before Council for approval before year end on 30 June 2012.

Furthermore the Budget Committee has decided to make a specific contribution from the Operating Budget to the CRR's for the 2012/13 year apart from the normal capital contributions and sale of property proceeds.

In this regard the Budget Committee has decided to discontinue the awarding of 20kWh electricity to all households.

The Budget Committee furthermore decided to introduce a basic electricity tariff so that households, where the monthly consumption of electricity is below a benchmark, will also contribute to the maintenance and upgrading of the capital infrastructure.

The Budget Committee also emphasised the fact that revenue enforcement measures will be instituted in this financial year to broaden the income base.

Furthermore the indigent qualification criteria will be enforced more rigorously to ensure that those who do not qualify are removed from the allocation list. This saving on the equitable share allocation will allow Council to make a contribution to the infrastructure required to deliver the free basic services.

The Budget Committee investigated the current criteria that apply to indigent households and has brought the policy in line with national norms and standards. The current indigent policy is far too generous and creates a situation where too many citizens in George are making no monetary contribution toward the cost of delivering services to the community.

From the abovementioned strategy the following funding is proposed:

DESCRIPTION	AMOUNT (R)
Additional income from the 20kWh	8 000 000
Basic electricity charge at holiday homes	2 000 000
VAT claim on Conditional Grants	6 900 000
Electricity Grant – bridging finance	2 400 000
Revenue enhancement	5 000 000
Contribution from the Equitable Share	15 000 000
A basic contribution from the 15 000 indigent households	9 000 000
TOTAL	R48 300 000

Although the budgeted income and expenditure are realistically anticipated budgets, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed according to the available cash.

To facilitate this process the Budget Committee has further prioritized the draft Capital Budget into priority 1 and priority 2 projects. Priority 1 projects are projects that are committed in terms of a contract that has been signed, is an on-going project or a priority in terms of the core functions of the municipality. Although priority 2 projects are necessary to maintain the service delivery, they are not committed projects and do not necessarily have to commence in July 2012. These priority 2 projects will only be commenced once it is established that the anticipated revenue has materialised.

External Funding

The Budget Committee has reduced its reliance on external funding to fund its capital budget. The planned expenditure from external funding for 2011/12 has been reprioritised and where necessary changed to internal funding during the 2011/12 adjustments budget. The main motivation for refraining from taking up further external loans was the saving that was affected on the operating budget. The Budget Committee's strategy for the 2012/13 budget was to accumulate own resources before embarking on capital projects going forward.

The Budget Committee has however decided that the capital budget for vehicles should be funded from finance leases. The finance lease payments will be funded from savings in the operating budget by not having to hire these vehicles.

The following table provides a breakdown of the budgeted capital expenditure by classification:

Table 17 Capital expenditure by GFS classification

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital Expenditure - Standard									
<i>Governance and administration</i>	558,266	531	876	770	679	679	720	705	895
Executive and council	–	–	–	140	79	79	30	585	365
Budget and treasury office	195	–	720	280	470	470	230	80	80
Corporate services	558,071	531	155	350	130	130	460	40	450
<i>Community and public safety</i>	24,827	16,144	8,352	8,644	12,449	12,449	13,161	11,655	29,028
Community and social services	6,904	519	2,423	2,804	1,777	1,777	1,519	1,638	8,460
Sport and recreation	6,281	12,842	1,019	3,600	5,479	5,479	2,808	3,950	3,958
Public safety	5,504	1,252	193	80	4,010	4,010	4,749	1,947	1,500
Housing	5,735	1,530	4,716	2,160	1,183	1,183	4,085	4,120	15,110
Health	403	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	94,915	34,342	14,442	16,850	23,571	23,571	34,489	37,350	29,648
Planning and development	354	332	–	–	–	–	–	100	–
Road transport	94,419	34,002	14,395	16,850	23,561	23,561	34,489	37,240	29,648
Environmental protection	143	8	46	–	10	10	–	10	–
<i>Trading services</i>	158,937	192,050	112,965	136,648	96,627	96,627	102,552	102,198	119,668
Electricity	56,488	48,576	55,005	58,669	37,859	37,859	25,175	25,986	25,642
Water	57,775	121,994	48,494	40,816	28,457	28,457	32,866	19,377	33,802
Waste water management	40,359	21,480	8,974	36,163	30,312	30,312	36,011	51,036	54,574
Waste management	4,315	–	492	1,000	–	–	8,500	5,800	5,650
<i>Other</i>	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239

A detailed breakdown of the capital budget per project over the MTREF is provided in Table SA36.

1.9 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

Table 18 - A1: Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands									
Financial Performance									
Property rates	101,897	105,813	120,078	140,934	133,934	133,934	145,368	153,077	162,205
Service charges	353,259	390,528	449,063	604,395	582,840	582,840	580,127	626,562	673,711
Investment revenue	25,465	14,673	14,773	5,250	11,750	11,750	12,455	13,202	13,994
Transfers recognised - operational	78,263	62,597	137,138	128,450	165,648	165,648	156,843	167,789	156,175
Other own revenue	42,869	28,626	36,753	33,407	37,884	37,884	46,260	40,488	42,846
Total Revenue (excluding capital transfers and contributions)	601,753	602,237	757,805	912,436	932,055	932,055	941,052	1,001,118	1,048,931
Employee costs	181,719	219,740	227,743	231,321	235,852	235,852	260,586	276,434	292,414
Remuneration of councillors	9,188	9,758	10,691	12,913	13,966	13,966	15,472	16,245	17,057
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Finance charges	31,750	47,342	52,848	59,085	57,252	57,252	54,028	50,649	46,911
Materials and bulk purchases	120,197	152,172	193,159	249,636	247,475	247,475	280,057	317,890	360,901
Transfers and grants	41,324	5,508	5,124	65,194	64,511	64,511	2,011	2,076	2,147
Other expenditure	212,636	201,047	267,778	254,595	271,341	271,341	269,148	280,599	270,833
Total Expenditure	657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298
Surplus/(Deficit)	(55,515)	(112,893)	(94,039)	(52,759)	(62,037)	(62,037)	(42,238)	(37,813)	(32,367)
Transfers recognised - capital	64,642	95,910	72,168	70,158	76,498	76,498	95,321	67,850	70,973
Contributions recognised - capital & contributed assets	13,543	20,472	11,555	5,892	5,892	5,892	6,246	6,620	7,018
Surplus/(Deficit) after capital transfers & contributions	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Capital expenditure & funds sources									
Capital expenditure	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239
Transfers recognised - capital	64,642	99,396	72,168	74,158	66,202	66,073	91,446	69,444	91,096
Public contributions & donations	0	3,000	–	–	259	259	–	–	–
Borrowing	130,278	126,319	47,704	53,770	20,326	20,326	11,350	2,000	2,000
Internally generated funds	642,025	14,352	16,762	34,984	46,538	46,667	48,126	80,464	86,143
Total sources of capital funds	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239
Financial position									
Total current assets	615,724	596,328	642,349	553,386	667,991	667,991	671,339	652,520	611,279
Total non current assets	1,739,625	1,965,480	2,006,705	2,107,253	2,008,902	2,008,902	2,068,442	2,127,502	2,217,443
Total current liabilities	136,244	169,656	220,737	131,500	162,506	162,506	152,736	165,749	161,782
Total non current liabilities	453,678	567,661	614,140	617,572	570,866	570,866	557,117	524,268	482,073
Community wealth/Equity	1,765,427	1,824,492	1,814,176	1,911,567	1,943,521	1,943,521	2,029,927	2,090,004	2,184,867
Cash flows									
Net cash from (used) operating	109,649	92,552	182,201	100,824	190,553	190,553	175,073	174,455	188,240
Net cash from (used) investing	(284,753)	(241,673)	(134,541)	(157,401)	(127,814)	(127,814)	(138,063)	(131,908)	(164,239)
Net cash from (used) financing	91,834	103,114	37,955	10,080	(29,920)	(29,920)	(19,925)	(33,347)	(35,858)
Cash/cash equivalents at the year end	192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	279,744
Cash backing/surplus reconciliation									
Cash and investments available	192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	280,182
Application of cash and investments	192,888	146,881	232,497	(35,919)	(9,412)	(9,412)	(39,141)	(20,908)	(8,766)
Balance - surplus (shortfall)	–	–	–	191,916	274,728	274,728	321,542	312,509	288,948
Asset management									
Asset register summary (WDV)	1,735,352	1,963,999	2,005,348	2,106,513	2,007,893	2,007,893	2,067,590	2,126,847	2,216,718
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Renewal of Existing Assets	(11,222)	30,352	1,565	16,960	21,955	21,955	21,045	45,923	45,458
Repairs and Maintenance	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994
Free services									
Cost of Free Basic Services provided	2,454	3,193	3,857	4,428	4,428	4,428	5,119	5,464	5,936
Revenue cost of free services provided	34,371	74,477	91,612	101,868	101,868	101,868	110,183	116,528	124,539
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	1	–	–	–	–	–	–	–	–
Energy:	7	6	9	9	9	9	9	10	11
Refuse:	6	5	3	3	3	3	4	4	5

Table 19 – A2: Budgeted Financial Performance by standard classification

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue - Standard									
<i>Governance and administration</i>	172,649	177,512	203,233	216,634	217,487	217,487	170,963	180,105	191,034
Executive and council	188	106	58	26	26	26	28	29	31
Budget and treasury office	168,187	163,440	195,303	214,472	215,079	215,079	166,986	176,006	186,705
Corporate services	4,274	13,966	7,873	2,136	2,382	2,382	3,950	4,070	4,298
<i>Community and public safety</i>	44,649	22,710	90,134	68,144	108,042	108,042	55,744	49,292	52,431
Community and social services	1,694	1,669	1,882	2,617	2,837	2,837	2,738	1,436	1,501
Sport and recreation	2,145	4,958	2,294	2,552	5,699	5,699	5,895	7,056	7,078
Public safety	11,132	3,549	12,528	12,855	20,105	20,105	19,691	20,474	21,569
Housing	29,530	12,528	73,351	50,120	79,330	79,330	26,476	19,282	21,235
Health	148	6	78	-	71	71	944	1,044	1,047
<i>Economic and environmental services</i>	67,000	30,271	22,844	23,271	39,978	39,978	74,760	79,475	59,649
Planning and development	7,215	5,802	5,656	2,743	3,812	3,812	3,158	3,489	3,730
Road transport	59,786	23,808	17,030	20,527	36,166	36,166	71,601	75,985	55,918
Environmental protection	-	661	158	1	1	1	1	1	1
<i>Trading services</i>	395,641	487,946	522,721	680,421	648,923	648,923	741,136	766,700	823,790
Electricity	222,184	276,355	323,596	413,253	391,928	391,928	431,605	453,486	489,255
Water	85,269	140,873	111,234	130,772	114,281	114,281	137,301	116,851	122,048
Waste water management	53,853	43,540	56,556	86,431	91,236	91,236	110,569	131,113	142,116
Waste management	34,336	27,177	31,335	49,965	51,478	51,478	61,661	65,249	70,371
<i>Other</i>	-	181	2,596	15	15	15	16	17	18
Total Revenue - Standard	679,939	718,619	841,529	988,486	1,014,446	1,014,446	1,042,619	1,075,589	1,126,922
Expenditure - Standard									
<i>Governance and administration</i>	117,841	150,165	133,590	198,777	190,092	190,092	129,799	132,060	138,841
Executive and council	20,704	44,682	44,434	27,211	29,188	29,188	31,674	33,039	34,424
Budget and treasury office	67,468	48,615	47,844	124,901	119,355	119,355	56,996	56,746	60,629
Corporate services	29,668	56,867	41,312	46,665	41,549	41,549	41,130	42,275	43,789
<i>Community and public safety</i>	116,455	100,882	159,529	147,865	175,386	175,386	130,055	124,466	128,870
Community and social services	12,616	17,397	16,456	18,181	19,521	19,521	18,952	18,990	19,524
Sport and recreation	17,444	16,708	17,264	18,545	18,242	18,242	19,451	19,444	19,491
Public safety	44,099	41,342	40,433	39,481	42,492	42,492	43,775	45,050	46,593
Housing	36,557	20,386	80,304	65,851	89,570	89,570	41,340	34,322	36,408
Health	5,739	5,050	5,073	5,807	5,561	5,561	6,537	6,659	6,854
<i>Economic and environmental services</i>	104,597	119,103	118,173	118,290	125,899	125,899	159,566	174,791	149,172
Planning and development	20,719	13,035	13,329	16,977	16,993	16,993	16,670	17,437	18,265
Road transport	78,686	97,778	97,964	97,829	105,436	105,436	139,171	153,546	126,942
Environmental protection	5,192	8,290	6,880	3,484	3,470	3,470	3,725	3,807	3,965
<i>Trading services</i>	316,538	341,494	435,757	497,593	500,592	500,592	561,664	605,299	661,984
Electricity	174,523	190,406	268,241	329,930	325,845	325,845	367,896	405,595	452,218
Water	64,098	69,537	77,538	78,741	82,212	82,212	90,136	94,628	97,579
Waste water management	46,687	49,518	54,246	53,244	53,971	53,971	59,975	61,742	65,934
Waste management	31,229	32,034	35,732	35,677	38,565	38,565	43,657	43,333	46,253
<i>Other</i>	1,838	3,486	4,795	2,671	2,124	2,124	2,206	2,316	2,431
Total Expenditure - Standard	657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298
Surplus/(Deficit) for the year	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623

Table 20 – A3: Budgeted Financial Performance by municipal vote

Vote Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - Office of the City Manager	390	217	306	226	603	603	278	329	381
Vote 2 - Corporate & Social Services	463	510	559	623	649	649	1,872	1,996	2,123
Vote 3 - Corporate & Social Services (continue)	1,670	2,427	2,151	2,788	3,319	3,319	3,771	2,551	2,601
Vote 4 - Community Safety	18,826	11,621	20,181	21,948	29,198	29,198	28,045	29,329	30,955
Vote 5 - Planning & Housing	37,399	24,403	80,644	52,313	82,229	82,229	29,495	22,507	24,679
Vote 6 - Environmental Affairs	2,496	6,150	5,368	2,803	5,950	5,950	6,161	7,338	7,377
Vote 7 - Environmental Affairs (continue)	34,336	27,177	31,335	49,965	51,478	51,478	61,968	65,575	70,716
Vote 8 - Civil Engineering Services	191,435	200,369	177,402	228,834	232,786	232,786	311,326	315,316	310,931
Vote 9 - Electro-technical Services	222,949	276,624	323,855	413,253	391,928	391,928	431,605	453,486	489,255
Vote 10 - Treasury	130,784	124,369	138,426	149,132	149,944	149,944	166,121	174,908	185,445
Vote 11 - Treasury (continue)	39,189	44,751	61,301	66,600	66,360	66,360	1,977	2,253	2,459
Total Revenue by Vote	679,939	718,619	841,529	988,486	1,014,446	1,014,446	1,042,619	1,075,589	1,126,922
Expenditure by Vote to be appropriated									
Vote 1 - Office of the City Manager	22,175	52,908	53,298	37,085	40,522	40,522	44,159	46,034	47,680
Vote 2 - Corporate & Social Services	15,733	22,509	17,348	20,111	20,084	20,084	18,651	19,055	19,690
Vote 3 - Corporate & Social Services (continue)	25,164	26,220	28,016	35,819	33,187	33,187	33,200	34,076	35,438
Vote 4 - Community Safety	51,308	47,257	46,028	46,746	50,055	50,055	50,276	51,925	53,844
Vote 5 - Planning & Housing	61,745	54,212	98,503	79,044	104,045	104,045	56,473	49,638	52,205
Vote 6 - Environmental Affairs	25,455	29,341	29,385	24,770	24,791	24,791	26,312	26,433	26,755
Vote 7 - Environmental Affairs (continue)	33,869	35,201	38,875	39,355	42,285	42,285	47,642	47,528	50,664
Vote 8 - Civil Engineering Services	182,141	210,497	223,586	221,628	233,367	233,367	282,200	302,441	282,586
Vote 9 - Electro-technical Services	174,705	189,444	271,192	336,217	330,058	330,058	371,851	409,726	456,471
Vote 10 - Treasury	17,913	33,047	30,295	44,946	38,117	38,117	39,912	39,250	42,333
Vote 11 - Treasury (continue)	47,060	14,495	15,318	79,476	77,582	77,582	12,614	12,826	13,633
Total Expenditure by Vote	657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298
Surplus/(Deficit) for the year	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623

Table 21 – A4: Budgeted Financial Performance by revenue source and expenditure type

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue By Source									
Property rates	100,329	104,491	118,748	139,499	132,499	132,499	143,847	151,464	160,495
Property rates - penalties & collection charges	1,567	1,322	1,330	1,435	1,435	1,435	1,521	1,612	1,709
Service charges - electricity revenue	212,090	267,361	310,240	398,479	381,179	381,179	408,871	444,905	479,481
Service charges - water revenue	62,936	56,002	61,864	95,316	85,316	85,316	73,742	76,358	80,637
Service charges - sanitation revenue	44,889	40,852	46,462	62,118	66,155	66,155	58,230	62,879	67,846
Service charges - refuse revenue	33,334	26,305	30,484	48,472	49,830	49,830	38,932	42,046	45,351
Service charges - other	10	8	13	10	360	360	352	374	397
Rental of facilities and equipment	1,857	1,819	1,829	1,800	1,870	1,870	2,023	2,137	2,258
Interest earned - external investments	25,465	14,673	14,773	5,250	11,750	11,750	12,455	13,202	13,994
Interest earned - outstanding debtors	5,003	4,127	4,296	3,170	4,020	4,020	4,061	4,285	4,522
Dividends received	–	–	–	–	–	–	–	–	–
Fines	11,331	3,759	13,149	13,253	16,253	16,253	17,248	18,281	19,376
Licences and permits	2,538	2,762	2,106	2,184	2,184	2,184	2,315	2,454	2,601
Agency services	4,956	5,120	5,427	5,695	5,695	5,695	6,182	6,534	6,906
Transfers recognised - operational	78,263	62,597	137,138	128,450	165,648	165,648	156,843	167,789	156,175
Other revenue	16,406	10,943	9,945	7,306	7,862	7,862	14,431	6,797	7,182
Gains on disposal of PPE	777	95	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	601,753	602,237	757,805	912,436	932,055	932,055	941,052	1,001,118	1,048,931
Expenditure By Type									
Employee related costs	181,719	219,740	227,743	231,321	235,852	235,852	260,586	276,434	292,414
Remuneration of councillors	9,188	9,758	10,691	12,913	13,966	13,966	15,472	16,245	17,057
Debt impairment	6,770	13,946	27,524	11,476	11,476	11,476	21,294	21,692	30,892
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Finance charges	31,750	47,342	52,848	59,085	57,252	57,252	54,028	50,649	46,911
Bulk purchases	119,763	151,841	192,836	249,284	247,284	247,284	279,863	317,694	360,699
Other materials	435	331	324	352	191	191	194	197	203
Contracted services	48,713	34,039	94,627	80,719	116,640	116,640	100,374	108,287	84,902
Transfers and grants	41,324	5,508	5,124	65,194	64,511	64,511	2,011	2,076	2,147
Other expenditure	154,806	150,596	145,187	162,400	143,225	143,225	147,480	150,621	155,039
Loss on disposal of PPE	2,345	2,467	440	–	–	–	–	–	–
Total Expenditure	657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298
Surplus/(Deficit)	(55,515)	(112,893)	(94,039)	(52,759)	(62,037)	(62,037)	(42,238)	(37,813)	(32,367)
Transfers recognised - capital	64,642	95,910	72,168	70,158	76,498	76,498	95,321	67,850	70,973
Contributions recognised - capital	13,543	17,472	11,555	5,892	5,892	5,892	6,246	6,620	7,018
Contributed assets	–	3,000	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623

Revenue generated from property rates and service chargers forms a significant percentage of the revenue source of the municipality. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policy of the Municipality.

Table 22 – A5: Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure - Vote									
<i>Multi-year expenditure, to be appropriated</i>									
Vote 1 - Office of the City Manager	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate & Social Services	322	3	456	–	–	–	–	–	–
Vote 3 - Corporate & Social Services (continue)	–	–	–	–	–	–	–	–	–
Vote 4 - Community Safety	339	–	–	–	–	–	–	–	–
Vote 5 - Planning & Housing	542	677	873	–	–	–	4,000	4,000	4,000
Vote 6 - Environmental Affairs	(1,296)	936	–	3,600	1,560	1,560	2,800	280	180
Vote 7 - Environmental Affairs (continue)	(897)	–	–	–	–	–	1,300	2,700	2,100
Vote 8 - Civil Engineering Services	(170,044)	(14,499)	(38,451)	68,348	43,842	43,842	84,887	88,820	106,606
Vote 9 - Electro-technical Services	(801)	515	287	52,349	34,024	34,024	17,869	10,100	9,100
Vote 10 - Treasury	–	–	–	–	–	–	–	–	–
Vote 11 - Treasury (continue)	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	(171,835)	(12,368)	(36,836)	124,297	79,426	79,426	110,855	105,900	121,986
<i>Single-year expenditure, to be appropriated</i>									
Vote 1 - Office of the City Manager	–	–	–	140	79	79	30	585	365
Vote 2 - Corporate & Social Services	1,401	–	56	2,784	1,777	1,777	156	638	410
Vote 3 - Corporate & Social Services (continue)	1,043	816	249	–	–	–	765	740	8,450
Vote 4 - Community Safety	5,407	1,252	193	980	4,010	4,010	4,749	1,947	1,500
Vote 5 - Planning & Housing	566,720	1,370	5,662	2,530	1,313	1,313	1,143	350	11,110
Vote 6 - Environmental Affairs	7,543	11,915	1,065	–	3,929	3,929	8	3,850	3,828
Vote 7 - Environmental Affairs (continue)	5,157	–	492	1,000	–	–	7,200	3,100	3,550
Vote 8 - Civil Engineering Services	379,157	191,974	110,315	24,581	38,487	38,487	18,480	18,833	11,418
Vote 9 - Electro-technical Services	42,157	48,109	54,718	6,320	3,835	3,835	7,306	15,886	16,542
Vote 10 - Treasury	195	–	720	280	470	470	230	80	80
Vote 11 - Treasury (continue)	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	1,008,780	255,435	173,470	38,615	53,899	53,899	40,067	46,009	57,253
Total Capital Expenditure - Vote	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239
Capital Expenditure - Standard									
<i>Governance and administration</i>	558,266	531	876	770	679	679	720	705	895
Executive and council	–	–	–	140	79	79	30	585	365
Budget and treasury office	195	–	720	280	470	470	230	80	80
Corporate services	558,071	531	155	350	130	130	460	40	450
<i>Community and public safety</i>	24,827	16,144	8,352	8,644	12,449	12,449	13,161	11,655	29,028
Community and social services	6,904	519	2,423	2,804	1,777	1,777	1,519	1,638	8,460
Sport and recreation	6,281	12,842	1,019	3,600	5,479	5,479	2,808	3,950	3,958
Public safety	5,504	1,252	193	80	4,010	4,010	4,749	1,947	1,500
Housing	5,735	1,530	4,716	2,160	1,183	1,183	4,085	4,120	15,110
Health	403	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	94,915	34,342	14,442	16,850	23,571	23,571	34,489	37,350	29,648
Planning and development	354	332	–	–	–	–	–	100	–
Road transport	94,419	34,002	14,395	16,850	23,561	23,561	34,489	37,240	29,648
Environmental protection	143	8	46	–	10	10	–	10	–
<i>Trading services</i>	158,937	192,050	112,965	136,648	96,627	96,627	102,552	102,198	119,668
Electricity	56,488	48,576	55,005	58,669	37,859	37,859	25,175	25,986	25,642
Water	57,775	121,994	48,494	40,816	28,457	28,457	32,866	19,377	33,802
Waste water management	40,359	21,480	8,974	36,163	30,312	30,312	36,011	51,036	54,574
Waste management	4,315	–	492	1,000	–	–	8,500	5,800	5,650
<i>Other</i>	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239
Funded by:									
National Government	30,253	88,032	55,879	64,158	44,633	44,633	56,992	41,384	55,096
Provincial Government	34,390	7,078	10,851	6,000	18,569	18,440	34,454	28,060	36,000
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	0	4,286	5,438	4,000	3,000	3,000	0	–	–
Transfers recognised - capital	64,642	99,396	72,168	74,158	66,202	66,073	91,446	69,444	91,096
Public contributions & donations	0	3,000	–	–	259	259	–	–	–
Borrowing	130,278	126,319	47,704	53,770	20,326	20,326	11,350	2,000	2,000
Internally generated funds	642,025	14,352	16,762	34,984	46,538	46,667	48,126	80,464	86,143
Total Capital Funding	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239

Table 23 – A6: Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
ASSETS										
Current assets										
Cash		192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	280,182
Call investment deposits	1	–	–	–	–	–	–	–	–	–
Consumer debtors	1	60,395	70,730	74,358	77,184	77,184	77,184	65,384	50,775	38,207
Other debtors		25,636	67,899	30,698	21,000	21,000	21,000	32,540	34,167	21,420
Current portion of long-term receivables		900	802	316	560	348	348	226	190	182
Inventory	2	335,905	310,015	304,479	298,646	304,142	304,142	290,787	275,787	271,287
Total current assets		615,724	596,328	642,349	553,386	667,991	667,991	671,339	652,520	611,279
Non current assets										
Long-term receivables		4,273	1,481	1,357	740	1,009	1,009	852	654	724
Investments		–	–	–	–	–	–	–	–	–
Investment property		–	85,475	137,320	–	137,314	137,314	137,315	137,310	137,306
Investment in Associate		–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	1,733,825	1,876,605	1,865,929	2,103,975	1,868,773	1,868,773	1,928,346	1,985,707	2,073,963
Agricultural		–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–
Intangible		1,527	1,920	2,099	2,538	1,807	1,807	1,929	3,830	5,450
Other non-current assets		–	–	–	–	–	–	–	–	–
Total non current assets		1,739,625	1,965,480	2,006,705	2,107,253	2,008,902	2,008,902	2,068,442	2,127,502	2,217,443
TOTAL ASSETS		2,355,349	2,561,808	2,649,053	2,660,639	2,676,893	2,676,893	2,739,780	2,780,021	2,828,722
LIABILITIES										
Current liabilities										
Bank overdraft	1	–	–	–	–	–	–	–	–	–
Borrowing	4	20,362	26,064	30,533	30,819	32,557	32,557	35,932	39,665	43,398
Consumer deposits		11,527	13,412	14,897	15,876	15,771	15,771	16,828	17,838	18,195
Trade and other payables	4	84,419	103,284	143,544	59,949	89,320	89,320	85,247	91,666	76,542
Provisions		19,936	26,896	31,763	24,858	24,858	24,858	36,527	40,180	46,207
Total current liabilities		136,244	169,656	220,737	131,500	162,506	162,506	174,534	189,349	184,342
Non current liabilities										
Borrowing		389,972	487,384	520,870	534,734	488,027	488,027	462,681	424,166	378,968
Provisions		63,706	80,276	93,271	82,838	82,838	82,838	94,436	100,102	103,105
Total non current liabilities		453,678	567,661	614,140	617,572	570,866	570,866	557,117	524,268	482,073
TOTAL LIABILITIES		589,922	737,316	834,878	749,073	733,372	733,372	731,651	713,617	666,415
NET ASSETS	5	1,765,427	1,824,492	1,814,176	1,911,567	1,943,521	1,943,521	2,008,129	2,066,404	2,162,307
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		1,358,541	1,754,409	1,743,465	1,830,056	1,890,895	1,890,895	1,933,883	1,988,446	2,080,450
Reserves	4	406,886	70,083	70,711	81,511	52,626	52,626	74,246	77,959	81,856
Minorities' interests		–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	1,765,427	1,824,492	1,814,176	1,911,567	1,943,521	1,943,521	2,008,129	2,066,404	2,162,307

Table 24 – A7: Budgeted Cash Flow

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	506,543	527,358	704,062	754,678	756,474	756,474	801,554	852,482	913,655
Government - operating	50,762	62,597	137,138	128,450	165,648	165,648	135,322	153,469	128,022
Government - capital	92,144	95,910	72,168	70,158	68,105	68,105	81,444	72,961	87,147
Interest	30,468	18,800	19,069	8,306	15,569	15,569	16,760	17,744	18,788
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(497,193)	(559,264)	(693,354)	(736,489)	(756,564)	(756,564)	(803,968)	(869,478)	(910,314)
Finance charges	(31,750)	(47,342)	(51,759)	(59,085)	(57,252)	(57,252)	(54,028)	(50,649)	(46,911)
Transfers and Grants	(41,324)	(5,508)	(5,124)	(65,194)	(1,426)	(1,426)	(2,011)	(2,076)	(2,147)
NET CASH FROM/(USED) OPERATING ACTIVITIES	109,649	92,552	182,201	100,824	190,553	190,553	175,073	174,455	188,240
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	691	176	965	5,000	5,000	5,000	7,859	15,000	10,000
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	325	1,753	1,750	511	511	511	5,000	5,000	5,000
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(285,769)	(243,602)	(137,256)	(162,912)	(133,325)	(133,325)	(150,922)	(151,908)	(179,239)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(284,753)	(241,673)	(134,541)	(157,401)	(127,814)	(127,814)	(138,063)	(131,908)	(164,239)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	107,443	125,200	65,000	40,000	-	-	10,650	2,000	2,000
Increase (decrease) in consumer deposits	-	-	-	899	899	899	1,982	585	1,807
Payments									
Repayment of borrowing	(15,609)	(22,086)	(27,045)	(30,819)	(30,819)	(30,819)	(32,557)	(35,932)	(39,665)
NET CASH FROM/(USED) FINANCING ACTIVITIES	91,834	103,114	37,955	10,080	(29,920)	(29,920)	(19,925)	(33,347)	(35,858)
NET INCREASE/(DECREASE) IN CASH HELD	(83,269)	(46,007)	85,615	(46,496)	32,820	32,820	17,085	9,200	(11,857)
Cash/cash equivalents at the year begin:	276,157	192,888	146,881	202,492	232,497	232,497	265,316	282,401	291,601
Cash/cash equivalents at the year end:	192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	279,744

Table 25 – A8: Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	279,744
Other current investments > 90 days		-	-	-	0	0	0	0	0	439
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		192,888	146,881	232,497	155,996	265,316	265,316	282,401	291,601	280,182
Application of cash and investments										
Unspent conditional transfers		18,660	13,412	34,311	282	29,372	29,372	22,000	23,600	22,560
Unspent borrowing		4,115	2,996	20,291	-	700	700	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(27,840)	(56,963)	(30,434)	(36,201)	(39,483)	(39,483)	(39,343)	(20,908)	(8,766)
Other provisions		-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	197,954	187,438	208,328	-	-	-	107,006	115,461	116,808
Total Application of cash and investments:		192,888	146,881	232,497	(35,919)	(9,412)	(9,412)	89,663	118,153	130,602
Surplus(shortfall)		-	-	-	191,916	274,728	274,728	192,738	173,447	149,580

Table 26 – A9: Asset Management

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CAPITAL EXPENDITURE									
Infrastructure - Road transport	105,425	42,496	21,622	8,420	12,629	12,629	21,394	37,410	29,768
Infrastructure - Electricity	40,642	54,331	50,912	58,899	39,036	39,036	24,829	23,916	23,554
Infrastructure - Water	54,284	112,433	36,401	25,316	17,147	17,147	19,764	12,254	26,684
Infrastructure - Sanitation	37,556	5,239	13,056	32,013	29,522	29,522	30,961	43,536	47,274
Infrastructure - Other	1,119	131	(0)	6,900	11,000	11,000	10,454	-	-
Infrastructure	239,027	214,629	121,991	131,548	109,333	109,333	107,402	117,115	127,280
Community	20,779	19,805	9,173	25,910	17,999	17,999	23,015	15,707	31,970
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	577,048	8,633	5,471	5,444	5,993	5,993	20,495	17,576	18,479
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	90	-	-	10	-	-	10	1,510	1,510
TOTAL CAPITAL EXPENDITURE - Asset class	836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	245,700	328,066	316,984	251,130	245,630	245,630	239,989	242,713	238,885
Infrastructure - Electricity	215,456	160,331	187,301	230,411	220,911	220,911	234,694	246,089	256,790
Infrastructure - Water	123,493	262,499	321,464	351,883	326,883	326,883	327,415	321,892	330,842
Infrastructure - Sanitation	137,559	160,603	141,098	235,835	234,885	234,885	255,841	289,430	326,625
Infrastructure - Other	93,131	30,541	36,421	225,696	32,444	32,444	38,736	35,820	33,664
Infrastructure	815,339	942,039	1,003,268	1,294,955	1,060,753	1,060,753	1,096,676	1,135,944	1,186,806
Community	131,774	118,642	124,182	164,894	164,894	164,894	180,985	189,751	214,967
Heritage assets	607	607	607	607	607	607	607	607	607
Investment properties	-	85,475	137,320	-	137,314	137,314	137,315	137,310	137,306
Other assets	786,105	815,316	737,872	643,519	642,519	642,519	650,078	659,405	671,583
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	1,527	1,920	2,099	2,538	1,807	1,807	1,929	3,830	5,450
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1,735,352	1,963,999	2,005,348	2,106,513	2,007,893	2,007,893	2,067,590	2,126,847	2,216,718
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
Repairs and Maintenance by Asset Class	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994
Infrastructure - Road transport	17,168	18,864	19,301	19,340	15,152	15,152	19,301	20,034	20,841
Infrastructure - Electricity	11,414	7,182	6,688	10,096	6,836	6,836	8,070	8,543	8,943
Infrastructure - Water	6,799	6,307	3,506	7,718	6,739	6,739	6,849	7,193	7,555
Infrastructure - Sanitation	6,475	6,657	9,648	9,225	9,325	9,325	9,660	10,497	11,355
Infrastructure - Other	20	-	1	10	6	6	11	11	12
Infrastructure	41,876	39,010	39,145	46,389	38,058	38,058	43,890	46,277	48,705
Community	1,685	2,011	3,488	2,392	2,832	2,832	3,277	3,389	3,451
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	10,439	11,425	12,731	16,332	15,802	15,802	17,451	18,109	18,838
TOTAL EXPENDITURE OTHER ITEMS	114,453	132,008	149,866	157,565	160,388	160,388	166,606	162,813	162,028
Renewal of Existing Assets as % of total capex	-1.3%	12.5%	1.1%	10.4%	16.5%	16.5%	13.9%	30.2%	25.4%
Renewal of Existing Assets as % of deprecn"	-18.6%	38.1%	1.7%	18.3%	21.2%	21.2%	20.6%	48.3%	49.9%
R&M as a % of PPE	3.1%	2.8%	3.0%	3.1%	3.0%	3.0%	3.4%	3.4%	3.4%
Renewal and R&M as a % of PPE	2.0%	4.0%	3.0%	4.0%	4.0%	4.0%	4.0%	5.0%	5.0%

Table 27 – A10: Basic Service delivery measurement

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	28,030	39,941	39,880	40,580	40,580	40,580	42,736	43,591	44,463
Piped water inside yard (but not in dwelling)	10,484	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	4,279	2,535	4,964	4,964	4,964	4,964	5,063	5,165	5,267
Other water supply (at least min.service level)	-	215	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	42,793	42,691	44,844	45,544	45,544	45,544	47,799	48,756	49,730
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	42,793	42,691	44,844	45,544	45,544	45,544	47,799	48,756	49,730
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	36,160	39,770	39,802	39,960	39,960	39,960	41,865	42,703	43,556
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	5,306	2,601	4,722	5,584	5,584	5,584	5,934	6,053	6,174
Pit toilet (ventilated)	-	34	34	-	-	-	-	-	-
Other toilet provisions (> min.service level)	-	268	286	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	41,466	42,673	44,844	45,544	45,544	45,544	47,799	48,756	49,730
Bucket toilet	1,327	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	1,327	-	-	-	-	-	-	-	-
Total number of households	42,793	42,673	44,844	45,544	45,544	45,544	47,799	48,756	49,730
<u>Energy:</u>									
Electricity (at least min.service level)	2,570	2,350	1,652	1,630	1,630	1,630	1,600	1,570	1,500
Electricity - prepaid (min.service level)	32,725	34,460	34,728	35,098	35,242	35,242	36,757	37,125	37,496
<i>Minimum Service Level and Above sub-total</i>	35,295	36,810	36,380	36,728	36,872	36,872	38,357	38,695	38,996
Electricity (< min.service level)	7,498	6,000	9,000	8,672	8,672	8,672	9,442	10,061	10,734
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	7,498	6,000	9,000	8,672	8,672	8,672	9,442	10,061	10,734
Total number of households	42,793	42,810	45,380	45,400	45,544	45,544	47,799	48,756	49,730
<u>Refuse:</u>									
Removed at least once a week	37,000	38,000	42,000	43,000	43,000	43,500	43,800	44,500	45,000
<i>Minimum Service Level and Above sub-total</i>	37,000	38,000	42,000	43,000	43,000	43,500	43,800	44,500	45,000
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse disposal	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	5,793	5,000	3,000	2,544	2,544	2,544	3,999	4,256	4,730
<i>Below Minimum Service Level sub-total</i>	5,793	5,000	3,000	2,544	2,544	2,544	3,999	4,256	4,730
Total number of households	42,793	43,000	45,000	45,544	45,544	46,044	47,799	48,756	49,730

Continue on next page....

George Municipality – 2012/13 Annual Budget and MTREF

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	33,520	39,367	32,593	33,447	33,447	33,447	35,453	37,580	39,845
Sanitation (free minimum level service)	10,308	12,100	13,873	14,517	14,517	14,517	15,388	16,311	17,290
Electricity/other energy (50kwh per household per month)	10,308	12,100	13,873	14,517	14,517	14,517	15,388	16,311	17,290
Refuse (removed at least once a week)	10,308	12,100	13,873	14,517	14,517	14,517	15,388	16,311	17,290
<u>Cost of Free Basic Services provided (R'000)</u>									
Water (6 kilolitres per household per month)	815	1,058	943	1,063	1,063	1,063	1,240	1,445	1,675
Sanitation (free sanitation service)	814	1,022	1,447	1,634	1,634	1,634	1,749	1,889	2,003
Electricity/other energy (50kwh per household per month)	216	290	382	438	438	438	746	635	673
Refuse (removed once a week)	610	823	1,086	1,293	1,293	1,293	1,384	1,495	1,584
Total cost of FBS provided (minimum social package)	2,454	3,193	3,857	4,428	4,428	4,428	5,119	5,464	5,936
<u>Highest level of free service provided</u>									
Property rates (R value threshold)									
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	59	68	78	90	90	90	120	130	137
Electricity (kwh per household per month)	50	50	70	70	70	70	70	50	50
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<u>Revenue cost of free services provided (R'000)</u>									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)		25,048	27,883	29,556	29,556	29,556	31,329	33,209	35,201
Water	14,698	18,480	17,131	20,036	20,036	20,036	22,515	25,300	28,424
Sanitation	9,767	12,267	17,362	19,611	19,611	19,611	20,991	22,671	24,031
Electricity/other energy	2,588	3,477	6,417	7,361	7,361	7,361	8,948	7,621	8,078
Refuse	7,319	9,880	13,027	15,512	15,512	15,512	16,607	17,936	19,012
Municipal Housing - rental rebates		5,325	9,792	9,792	9,792	9,792	9,792	9,792	9,792
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	34,371	74,477	91,612	101,868	101,868	101,868	110,183	116,528	124,539

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 – The budget preparation process

2.2.1 – Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

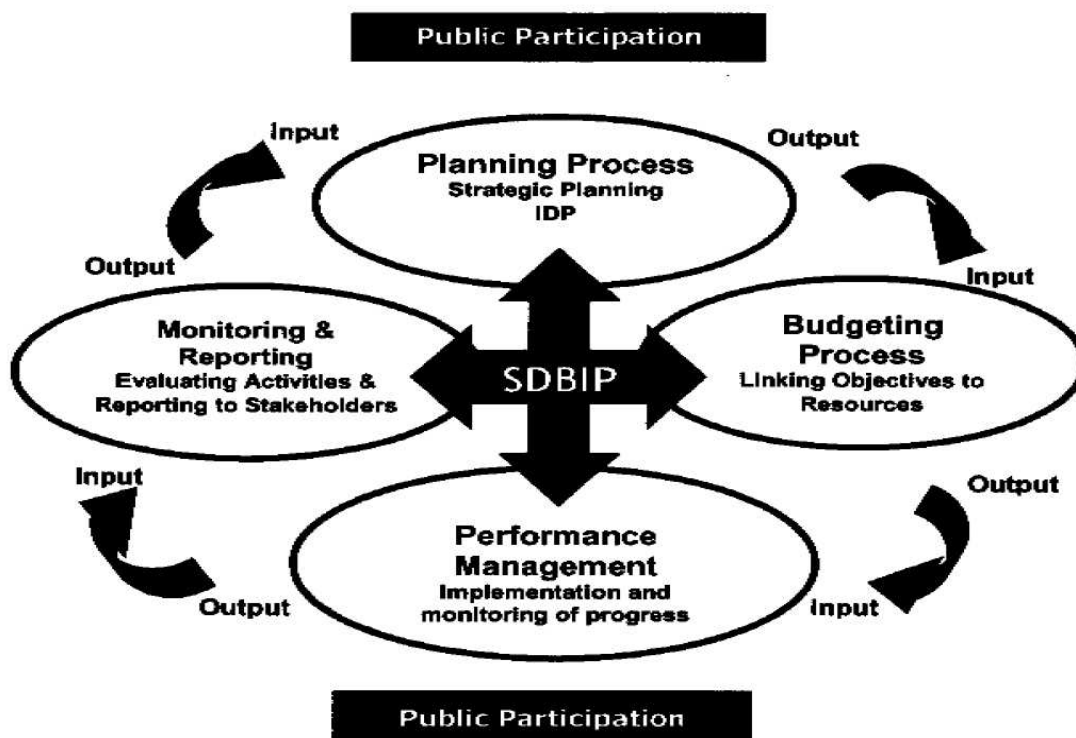
The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in George Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

Table 28 – Schedule of Key Deadlines relating to the budget process

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
PREPARATION PHASE			
Development of IDP & Budget Process Plan	IDP & Budget Office	Approved IDP and Budget Process Plan	July 2011
Advert for the revival of the IDP and Budget Representative Forum and the IDP and budget process (2012/2013)	IDP		28 July 2011
Establishment of 2012/2013 Budget Committee	BUDGET		August 2011
MAYCO MEETING: Tabling of the Draft IDP and budget Process Plan to MAYCO	Executive Mayor		August 2011
COUNCIL MEETING: Adoption of the IDP and budget Process Plan	Executive Mayor		August 2011
Submit Process Plan to the MEC for Local Government	IDP		September 2011
Produce outline Budget Strategy document with high level estimates	BUDGET		September 2011
Present the Process Plan to the IDP & Budget Rep. Forum	IDP/ Executive Mayor		September 2011
First Budget Workshop	BUDGET		September 2011
First Meeting of Budget Committee	BUDGET		September 2011
Provincial IDP Indaba	IDP/PGWC	IDP Indaba	8-9 September 2011
ANALYSIS PHASE			
Community Based Planning	IDP/Service Provider	Determine and assess the current level of development and the emerging challenges, opportunities and priority issues	Mid September- Early October 2011
Review and document information submitted by Clusters	IDP		October 2011
First draft situational analysis ready	IDP		October 2011
Initial consultation with Eden District, PAWC, Local Municipalities and National Government, if required	BUDGET		October 2011
Budget Related Policies Reviewed	BUDGET		October 2011
Budget Instructions issued to Departments	BUDGET		October 2011
Initial Drafting of operating and capital budget by departments	BUDGET		October 2011
STRATEGY PHASE			
IDP and Budget Steering Committee: Cluster leaders present priority issues	IDP& Budget Steering Committee	Develop objectives for priority issues and determine programmes to achieve strategic intent including the	October 2011
Present first draft situational analysis to the IDP & Budget Rep. Forum and request inputs for the new	IDP/ Executive Mayor		October 2011

Municipal Vision, Mission, Strategies & Objectives MAYCO MEETING: MAYCO to confirm & approve priorities, Municipal Vision, Mission, Strategies & Objectives	IDP/Budget Office/ Executive Mayor	development of the organisational scorecard	9 November 2011
Continued drafting and formulating of operating and capital budget by departments	BUDGET		November 2011
Review tariffs and budget policies	CFO		February 2012
PROJECT PHASE			
Set and agree on IDP priority programme/projects	Executive Mayor/MM	Identify projects and set output, targets	10 November 2011
Drafting of operating and capital budget by departments	BUDGET		December 2011
Review and align National and Provincial allocation for inclusion in the draft IDP and MTREF budget	MM/CFO	Agree on spatial location of the projects	13 December 2011
Operating and Capital Budget considered by Budget Committee	BUDGET		January 2012
Operating and Capital Budget considered by Budget Committee	BUDGET		February 2012
Directorates develop draft 2012/13 SDBIP and present to Portfolio Committees	IDP/Budget Office		9 March 2012
One and multi year scorecard presented to MAYCO	MM		16 March 2012
INTEGRATION PHASE			
Institutional Plan developed to deliver on the municipal strategy	MM	Integrate and align with sector plans	19 March 2012
Directorates identifying programmes and projects with external stakeholders	ALL	Incorporate programmes and projects into IDP	23 March 2012
Integration of sector plans and institutional programmes	IDP		23 March 2012
Financial plan and capital investment plan are developed	CFO		23 March 2012
Presentation of draft IDP & budget to the IDP and Budget Steering Committee	Executive Mayor /MM		26 March 2012
APPROVAL PHASE			
Tabling of the Draft IDP and Budget in Council by 30th	Executive Mayor	Approved IDP, budget and SDBIP	March 2012
Related Policies tabled at Council and made public (MFMA Section 16 & 22)	BUDGET		March 2012
SDBIP's finalized subject to consultation outcome	BUDGET		March 2012
Mayoral Committee considered Draft Operating and Capital Budget	BUDGET		March 2012
Submission of draft IDP and budget to MECs Treasury and Local Government	IDP/Budget Office/MM		2 April 2012
Invite public comments on Draft IDP and Budget including Roadshows	IDP/Budget Office		Month of April 2012
IDP/Budget Lekgotla to consider submissions,	ALL		May 2012

representations and recommendations from Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration			
Presentation of the final draft IDP, budget to the IDP and Budget Steering Committee	Executive Mayor /MM		May 2012
Council meeting to adopt final IDP, Budget and Budget Related Policies	Council		May 2012
Submission of Final IDP and budget to MECs Treasury and Local Government	IDP/Budget Office/MM		May 2012
Publication of approved IDP and budget on website and in local newspapers	IDP/Budget Office		May 2012
Finalisation and submission of draft 2012/13 SDBIP and annual performance agreement by Municipal Manager to the Executive Mayor	MM	Approved SDBIP and annual performance agreements	June 2012
Executive Mayor approves the 2012/13 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers with 28 days after the approval of the IDP and budget.	Executive Mayor		June 2012
Executive Mayor submits the approved SDBIP and performance agreements to Council, MEC Local Government within 14 days after approval	Council/ Executive Mayor/MM/ IDP/Budget Office		July 2012
MONITORING AND EVALUATION PHASE			
Commence with the compilation of the Annual Report 2011/12 and forward it to Auditor general	MM/Corporate Services	Compile annual report	July -September 2012
Quarterly SDBIP performance progress report for first quarter of 2012/13 MPPMR 14 to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council	IDP/Budget Office	Approved SDBIP performance reports	October 2012
Section 55 (56/57) Managers' first quarter assessments for 2012/13	MM	Service delivery performance assessed	October 2012
Quarterly Audit Committee meeting (for the first quarter 2012/13) MFMA section 166 & MPPMR 14(3)(a) and for evaluation of Section 55 (56/57) Managers' first quarter assessments MPPMR 14(3)(b)	Internal Audit	Internal auditing of performance measurements	October 2012
Quarterly SDBIP performance progress report for second quarter of 2012/13 MPPMR 14 to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council	IDP/Budget Office	Approved SDBIP performance reports	January 2013
Section 55 (56/57) Managers' second quarter assessments for 2012/13	MM	Service delivery performance assessed	January 2013
Quarterly Audit Committee meeting (for the second	Internal Audit	Internal auditing of performance	January 2013

quarter 2012/13) MFMA section 166 & MPPMR 14(3)(a) and for evaluation of Section 55 (56/57) Managers' second quarter assessments MPPMR 14(3)(b)		measurements	
Mid-year budget and performance assessment MFMA Section 72 (1)(2)(3)	IDP/Budget Office	Mid-term finance and service delivery performance report compliant to MFMA	By 25 January 2013
Executive Mayor tables the annual report 2011/12 MFMA Section 127 (2)	Executive Mayor	Annual report 2011/12 tabled	By 31 January 2013
Executive Mayor tables adjustment budget for approval by Council MFMA Section 28	Executive Mayor	Approved adjustment budget	January 2013
Publicise both the annual report (invite public inputs into the report - MFMA 127 & MSA section 21A) and the adjustment budget on the municipal website and in local newspapers	MM	Annual report and adjustment publicised	4 February 2013
Council to consider and adopt oversight report by 31 March MFMA Section 129(1)	Office of the Speaker	Oversight report approved	March 2013
Publicise Oversight Report within seven days of adoption MFMA Section 129(3) & MSA Section 21A	MM		April 2013
Within seven days of adoption of Oversight Report submit to Provincial Legislature/MEC for Local Government	MM		April 2013
Quarterly SDBIP performance progress report for third quarter of 2012/13 MPPMR 14 to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council	IDP/Budget Office	Approved SDBIP performance reports	April 2013
Section 55 (56/57) Managers' third quarter assessments for 2012/13	MM	Service delivery performance assessed	April 2013
Quarterly Audit Committee meeting (for the third quarter 2012/13) MFMA section 166 & MPPMR 14(3)(a) and for evaluation of Section 55 (56/57) Managers' third quarter assessments MPPMR 14(3)(b)	Internal Audit	Internal auditing of performance measurements	April 2013
Quarterly SDBIP performance progress report for fourth quarter of 2012/13 MPPMR 14 to Internal Audit, Audit Committee, Senior Management, MAYCO, Section 80 Committees and Council	IDP/Budget Office	Approved SDBIP performance reports	July 2013
Section 55 (56/57) Managers' fourth quarter assessments for 2012/13	MM	Service delivery performance assessed	July 2013
Quarterly Audit Committee meeting (for the fourth quarter 2012/13) MFMA section 166 & MPPMR 14(3)(a) and for evaluation of Section 55 (56/57) Managers' fourth quarter assessments MPPMR 14(3)(b)	Internal Audit	Internal auditing of performance measurements	April 2013

2.2.3 – Tabling of the draft budget

The draft budget must be tabled by the mayor before council for review by 30 March.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the National Treasury and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget was tabled before Council on 29 March 2012.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the National Treasury and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with National and Provincial treasuries regarding the MTREF will be attached to this document.

The public participation meetings were held from 16 April – 16 May 2012, within the wards of George. The overall objective of this road show was to ensure an authentic and inclusive public participation process for the IDP and budget.

The planning of the road shows was driven by a steering committee constituted by politicians and officials from all Directorates. This committee provided guidance and feedback on areas that required improvement as the IDP and Budget road shows unfolded.

A report was compiled on the outcomes of these roadshows and is available on request.

Table 29 – IDP and Budget Road show Programme 2012/13

WYK / WARD	RAADSLID COUNCILLOR	DATUM DATE	PLEK/VENUE	TYD TIME
5. Le Vallia, Bergsig, Loerie Park, Bo-Dorp, Bergsig, Molenrivier-rif	Lionel Esau	16 April 2012	Van Kerwel School Hall	19h00
4. Wilderness, KleinKrantz, Touwsranten, Hoekwil, Glenwood	Leon van Wyk	17 April 2012	Touwsranten Community Hall	19h00
1. Blanco	Bevin Fortuin	17 April 2012	Blanco Community Hall	19h00
8. Parkdene, Portion of Ballotsview	Charles Standers	18 April 2012	Parkdene Community Hall	19h00
7. Maraiskamp, Portion of Ballotsview	Zolile Ntozini	18 April 2012	Huis Outeniqua	18h00
6. Rosemoor, Protea Park, Urbansville, Portion of Le Vallia,	Jacoba Muller	19 April 2012	Rosemoore Community Hall	19h00
9. Themba lethu	Tobeka Teyisi	19 April 2012	Tyholora Primary School	18h00
10. Themba lethu	Mzwandile Gingcana			
21-Themba lethu	Suliwe Thanda	23 April 2012	Tyholora Primary School	18h00
11. Themba lethu	Nontsikelelo Kamte	23 April 2012	Themba lethu Community Hall	18h00
12. Themba lethu	Nomawethu Sixolo	24 April 2012	All Brick Hall	18h00
22- Landelike Gebiede, Diepkloof, Sinksabrug, Waboomskraal, Harold, Geelhoutboom, Bo-dorp, Camphersdrift	Philip de Swardt	02 May 2012	Blanco Community Hall	19h00
23- Delville Park, Groeneweide Park, Herolds Bay, Hoogekraal, Buffelsfontein, Oubaai, Bos & Dal, Rooirivier-rif	Gideon Stander	03 May 2012	Main Hall, York Street	19h00
3. Heather Park, Heatherlands	Erasmus De Villiers			
2. Denneoord, Fernridge, Bo-dorp, Camphersdrift	Chris Neetling			

18- Loeriepark, Tweerivieren, George Park	Gert Niehaus			
19-George Sentraal , George South, Dormehlsdrift King George	Iona Kritzinger			
24- Haarlem, Avontuur, Ongelegen, Nol	Alex Wildeman	03 May 2012	Haarlem Community Hall	19h00
17- Conville, Rosemoor, Convent Gardens, Mary's View	Daniël Maritz	07 May 2012	Conville Community Hall	19h00
7. Lawaaikamp	Zolile Ntozini	8 May 2012	Lawaaikamp Community Hall	18h00
16- New Dawn Park	Henry Jones	8 May 2012	New Dawn Park Primary School	19h00
16- New Dawn Park	Henry Jones	8 May 2012	SoeteUurtjiescreche	19h00
14- Erf 325 , Pacaltsdorp, Andersonville, Seaview, Europe, Noordstraat	Cynthia Papah	9 May 2012	Pacaltsdorp Community Hall	19h00
20- Borchers	Mercia Draghoender	9 May 2012	YFC centre (Kids stop)	19h00
25 – Uniondale, Esseljag, Rooirivier	Marchelle Kleynhans	10 May 2012	Uniondale Community Hall	19h00
13. Thembaletu	Busisiwe Salmani	10 May 2012	Multi-Purpose Centre	18h00
15. Thembaletu	FaneleGuga			
16- New Dawn Park	Henry Jones	14 May 2012	New Dawn Park Primary School	19h00
14- Erf 325 , Pacaltsdorp, Andersonville, Seaview, Europe, Noordstraat	Cynthia Papah	16 May 2012	Community Tent - Rosedale	18h30

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

The budget estimates can be revised through an adjustments budget. In terms of the Budget Regulations under Government Gazette No 32141, the following is stipulated for adjustments budget.

(2) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

Timeframes for tabling of adjustments budgets

23. (1) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

(2) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.

(3)¹³ If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

(4) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.

¹³ This subregulation is intended to ensure that additional revenues allocated to municipalities by national or provincial governments through an adjustments budget are approved for spending as soon as possible so as to minimise the possibility of underspending. In-year changes in agency payments and other revenues mentioned in subregulation 10(2)(c) may only be brought into a municipality's budget in an adjustments budget contemplated in subregulation 23(1).

(5) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

(6)¹⁴ An adjustments budget contemplated in section 28(2)(g) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –

- (a) dealt with as part of the adjustments budget contemplated in subregulation (1); and
- (b) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.¹⁵

Submission of tabled adjustments budgets

24. (1) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.

(2) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form –

¹⁴ Section 28(2)(g) of the Act requires a prescribed framework to regulate what other expenditure may be included in adjustments budgets that is not already covered by section 28(2)(a) to (f) of the Act. This subregulation is intended to provide such a framework.

¹⁵ Any unauthorised expenditure not authorised by council must in terms of section 32(2)(a)(i) of the Act be recovered from the person liable for the expenditure unless it is certified as irrecoverable in terms of section 32(2)(a)(ii) of the Act.

2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

George is a city for all reasons and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for George. These goals are as follows:

One	• Deliver Quality Services in George
Two	• Grow George
Three	• Keep George Safe & Green
Four	• Good Governance in George
Five	• Participate in George

The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2012/13 MTREF has therefore been directly informed by the IDP process and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 30 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Sanitation	Deliver quality Services in George	1	53,853	43,540	56,556	86,431	91,236	91,236	110,569	131,113	142,116
Water Services	Deliver quality Services in George	1	85,269	140,873	111,369	130,772	114,281	114,281	137,301	116,851	122,048
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	1	52,314	15,956	9,612	11,631	18,269	18,269	53,456	43,402	26,171
Transport Planning & Traffic Engineering	Deliver quality Services in George	1	–	–	–	–	9,000	9,000	10,000	23,950	20,595
Electricity	Deliver quality Services in George	1	222,184	276,355	323,596	413,253	391,928	391,928	431,605	453,486	489,255
Housing	Deliver quality Services in George	1	29,530	12,528	73,351	50,120	79,330	79,330	26,476	19,282	21,235
Spatial Planning	Good governance in George	4	6,888	5,357	5,578	2,543	3,100	3,100	3,008	3,189	3,380
Property Development	Deliver quality Services in George	1	2,656	12,198	6,127	910	1,060	1,060	1,124	1,191	1,263
Public Safety and Law Enforcement	Deliver quality Services in George	1	11,354	3,769	12,763	13,052	20,302	20,302	19,900	20,696	21,803
Road Transport	Deliver quality Services in George	1	7,472	7,852	7,418	8,896	8,896	8,896	8,144	8,633	9,151
Environmental Health	Deliver quality Services in George	1	–	1	1	1	1	1	1	1	1
Public Amenities	Deliver quality Services in George	1	2,880	2,804	5,553	3,114	6,261	6,261	4,536	4,607	4,682
Waste Management	Deliver quality Services in George	1	34,336	27,177	31,335	49,965	51,478	51,478	61,661	65,249	70,371
Sport facilities and Development	Deliver quality Services in George	1	16	3,036	33	2	2	2	2,305	3,445	3,445
Local Economic Development	Grow George	2	13	334	1	–	240	240	–	–	–
Tourism	Grow George	2	–	–	14	15	15	15	16	17	18
Financial viability and management	Good governance in George	4	65,379	56,685	74,097	72,573	79,053	79,053	14,881	15,930	16,954
Revenue enhancement	Good governance in George	4	55	172	53	53	253	253	206	60	63
Credit Control	Good governance in George	4	102,215	105,975	120,295	141,102	134,102	134,102	150,953	159,072	168,668
Budget Formulation and control	Good governance in George	4	535	607	721	745	1,637	1,637	945	945	1,020
People Management and Empowerment	Good governance in George	4	206	691	524	520	520	520	500	500	500
Administrative Support	Good governance in George	4	1,492	1,623	1,031	535	561	561	1,738	1,861	1,986
Library Services	Deliver quality Services in George	1	943	968	1,173	2,053	2,273	2,273	2,099	766	798
Integrated Development Planning	Participate in George	5	200	110	63	200	472	472	150	300	350
Communication	Good governance in George	4	–	–	184	–	70	70	100	–	–
HIV/Aids	Keep George Safe & Green	3	148	3	4	–	–	–	–	–	–
Social Development	Keep George Safe & Green	3	–	3	74	–	71	71	944	1,044	1,047
Internal Audit and Risk Management	Good governance in George	4	2	1	1	–	35	35	–	–	–
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			679,939	718,619	841,529	988,486	1,014,446	1,014,446	1,042,619	1,075,589	1,126,922

Table 31 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Sanitation	Deliver quality Services in George	1	44,852	47,682	52,438	51,138	51,835	51,835	57,883	59,531	63,613
Water Services	Deliver quality Services in George	1	64,098	69,537	77,538	78,741	82,212	82,212	90,136	94,628	97,579
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	1	73,191	93,278	93,610	91,749	90,320	90,320	124,181	124,332	100,799
Transport Planning & Traffic Engineering	Deliver quality Services in George	1	–	–	–	–	9,000	9,000	10,000	23,950	20,595
Electricity	Deliver quality Services in George	1	174,523	190,406	268,241	329,930	325,845	325,845	367,896	405,595	452,218
Housing	Deliver quality Services in George	1	36,557	20,386	80,304	65,851	89,570	89,570	41,340	34,322	36,408
Spatial Planning	Good governance in George	4	9,618	8,637	8,859	11,256	11,146	11,146	11,231	11,647	12,188
Property Development	Deliver quality Services in George	1	6,570	26,556	10,959	4,221	3,866	3,866	3,997	3,694	3,512
Public Safety and Law Enforcement	Deliver quality Services in George	1	45,814	42,757	41,675	40,665	43,939	43,939	45,287	46,661	48,296
Road Transport	Deliver quality Services in George	1	5,495	4,499	4,353	6,080	6,115	6,115	4,990	5,264	5,548
Environmental Health	Deliver quality Services in George	1	771	760	782	839	831	831	961	940	980
Public Amenities	Deliver quality Services in George	1	20,105	26,326	24,981	24,240	24,246	24,246	25,109	25,292	25,803
Waste Management	Deliver quality Services in George	1	33,065	33,870	37,540	37,783	40,701	40,701	45,750	45,545	48,574
Sport facilities and Development	Deliver quality Services in George	1	6,104	6,098	7,703	7,759	8,069	8,069	8,155	8,100	7,920
Local Economic Development	Grow George	2	3,474	1,053	1,451	2,115	1,941	1,941	1,674	1,697	1,741
Tourism	Grow George	2	1,224	1,410	1,808	2,101	2,003	2,003	2,086	2,195	2,311
Financial viability and management	Good governance in George	4	50,861	25,963	23,321	98,334	90,521	90,521	23,330	22,732	23,493
Revenue enhancement	Good governance in George	4	9,402	9,316	9,892	12,354	12,527	12,527	14,484	14,972	15,617
Credit Control	Good governance in George	4	4,004	4,006	3,817	3,843	3,801	3,801	6,357	5,691	7,831
Budget Formulation and control	Good governance in George	4	2,495	2,494	2,798	2,747	3,627	3,627	3,028	3,153	3,352
People Management and Empowerment	Good governance in George	4	(200)	8,206	9,803	11,912	10,325	10,325	9,544	9,951	10,369
Administrative Support	Good governance in George	4	51,817	72,550	69,764	58,113	56,702	56,702	58,731	61,213	63,863
Library Services	Deliver quality Services in George	1	6,218	6,063	6,272	7,742	8,056	8,056	8,120	8,173	8,577
Integrated Development Planning	Participate in George	5	1,121	895	926	1,170	1,529	1,529	1,060	1,244	1,343
Communication	Good governance in George	4	348	2,441	1,994	3,505	3,235	3,235	4,155	4,207	4,355
HIV/Aids	Keep George Safe & Green	3	751	761	755	777	606	606	664	680	697
Social Development	Keep George Safe & Green	3	4,988	4,289	4,318	5,031	4,955	4,955	5,873	5,979	6,157
Internal Audit and Risk Management	Good governance in George	4	2	4,890	5,944	5,200	6,570	6,570	7,270	7,544	7,558
Allocations to other priorities											
Total Expenditure			657,268	715,130	851,845	965,196	994,092	994,092	983,290	1,038,931	1,081,298

Table 32 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Sanitation	Deliver quality Services in George	A	40,359	21,480	8,974	36,163	30,312	30,312	36,011	51,036	54,574
Water Services	Deliver quality Services in George	B	57,775	121,994	48,494	40,816	28,457	28,457	32,866	19,377	33,802
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	C	110,979	34,002	14,395	9,950	11,508	11,508	24,035	37,240	29,648
Transport Planning & Traffic Engineering	Deliver quality Services in George	D	–	–	–	6,000	12,054	12,054	10,454	–	–
Electricity	Deliver quality Services in George	E	40,166	48,576	55,005	58,669	37,859	37,859	25,175	25,986	25,642
Housing	Deliver quality Services in George	F	5,735	1,530	4,716	2,160	1,183	1,183	4,085	4,120	15,110
Property Development	Deliver quality Services in George	G	556,130	–	–	–	–	–	–	–	–
Public Safety and Law Enforcement	Deliver quality Services in George	H	5,556	1,252	193	80	4,010	4,010	4,749	1,947	1,500
Road Transport	Deliver quality Services in George	I	189	–	–	900	–	–	–	–	–
Public Amenities	Deliver quality Services in George	J	6,860	3	512	2,784	1,777	1,777	256	595	448
Waste Management	Deliver quality Services in George	K	4,260	–	492	1,000	–	–	8,500	5,800	5,650
Sport facilities and Development	Deliver quality Services in George	L	–	12,842	1,019	3,600	5,479	5,479	2,708	3,655	3,830
Local Economic Development	Grow George	M	354	332	–	–	–	–	–	100	–
Financial viability and management	Good governance in George	N	195	–	720	280	470	470	230	80	80
Administrative Support	Good governance in George	O	7,698	1,056	2,020	510	219	219	1,348	1,373	955
Library Services	Deliver quality Services in George	P	286	–	93	–	–	–	505	600	8,000
Social Development	Keep George Safe & Green	Q	403	–	–	–	–	–	–	–	–
Allocations to other priorities											
Total Capital Expenditure			836,945	243,067	136,635	162,912	133,325	133,325	150,922	151,908	179,239

2.5 – Measurable Performance Objectives

The schedules below sets out the measurable performance objectives that will be included in the departmental Service Delivery and Budget Implementation plans of the municipality. This must be approved by the Mayor within 28 days of the budget being approved by Council.

The annual target for each of the PI's will be developed for inclusion in the SDBIP. Progress on the performance targets must be reported on quarterly. The indicators show the targets for 2012/13. The MPO's are set out in Chapter 6 of the IDP and constitutes a snapshot of the KPI's per department.

Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain safe and sustainable sanitation management and infrastructure	Deliver quality services in George	Formal households with access to basic level of sewerage services	% of households	95	95	95	95	95
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain safe and sustainable sanitation management and infrastructure	Deliver quality services in George	Sewerage purified to requirements of SANS (Green Drop)	% compliance	90	90	90	90	90
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services in George to promote development and fulfil basic needs	Deliver quality services in George	Formal households with access to basic level of water	% of households	95	95	95	95	95
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services in George to promote development and fulfil basic needs	Deliver quality services in George	Limit water losses through network	% of losses	10	10	10	10	10
Civil Engineering	An effective, competitive and responsive	Basic Service Delivery	To provide world class water services in George	Deliver quality services in	Limit water losses through purification	% of losses	10	10	10	10	10

Services	economic infrastructure network		to promote development and fulfil basic needs	George							
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services in George to promote development and fulfil basic needs	Deliver quality services in George	Water purified to meet SANS requirements	% compliance	95	95	95	95	95
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide and maintain storm water infrastructure to ensure a safe environment and prevent flooding	Deliver quality services in George	Formal households with access to storm water services	% of households	75	75	75	75	75
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class transport routes and functional streets safe for all modes of transport	Deliver quality services in George	Tarred roads resealed within budget availability	Km of roads resealed	5	5	5	5	5
Civil Engineering Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To provide world class water services in George to promote development and fulfil basic needs	Deliver quality services in George	Water Service Development Plan completed and submitted to Council by the end of May 2012	% completed	100	100	100	100	100
Civil Engineering Services	An effective, competitive and responsive economic	Basic Service Delivery	To provide world class transport routes and functional streets	Deliver quality services in George	Integrated Transport Plan completed and submitted to	% completed	100	100	100	100	100

	infrastructure network		safe for all modes of transport		Council by the end of May 2012						
Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Corporate & Social Services	Create an enabling environment by the implementation of programs aimed at achieving gender equality, women's empowerment & sensitization of men.	Gender Development	To facilitate & coordinate the strengthening of gender groups within the Municipality	Contribute to Gender Development	Gender Development is based on a policy and the implementation of Awareness programs, events, projects, empowerment consultation forums to meet the municipal objective	No of awareness programs	2	2	2	2	2
						No of events	1	1	1	1	1
						No of projects implemented	2	3	3	3	3
						consultation forums established	3	4	4	4	4
						No of meetings held & persons reached	4	4	4	4	4
Corporate & Social Services		Disability development	To facilitate & coordinate the strengthening of disability groups within the Municipality	Contribute to the development of persons with disabilities	Disability Development is based on a policy and the implementation of Awareness programs, events, projects,	No of awareness programs	3	3	3	3	3
						No of events	1	1	1	1	1
						No of projects	1	1	2	2	2

					empowerment consultation forums to meet the municipal objective	No consultation forums established.	5	5	5	5	5
						No of meetings held & persons reached	4	4	4	4	4
Corporate & Social Services	Promote Social Development	Social Development	Facilitate the functioning of crèches.	Contribute to Early Childhood Development (ECD)	monitoring and Support	Total crèches monitored	19	20	20	20	20
Corporate & Social Services	Promote Social Development	Social Development	Contribute to the reduction of children living on the street	Reduction of children living on the street	monitoring and Support	Total meetings with management	6	6	6	6	6
Corporate & Social Services	Promote Social Development	Social Development	Empowering communities regarding social challenges	Informed and empowered communities	Information sessions	People (total) reached	125	150	200	225	250
						Sessions held (total)	10	15	20	25	30
Corporate & Social Services	Promote Social Development	Social Development	Address the nutritional needs of unemployed & chronically-ill adults	Increase food security	Establishment/ monitoring of food gardens	No of food gardens established	60	70	70	70	80
Corporate & Social Services	Promote Social Development	Social Development	Address the nutritional needs of unemployed & chronically-ill adults	Increase food security	Establishment/ monitoring of food gardens	No of food gardens monitored	100	100	100	100	100
Corporate & Social Services	Promote Social Development	Social Development	Addressing the nutritional needs of children &	Relief for the poor	Establishment /monitoring of soup kitchens	Number of meals provided	18 000	18 200	18 300	18 400	18 500

			chronically-ill adults			Total monitoring done	1530	1530	1530	1503	
Corporate& Social Services	Promote Social Development	Social Development	Improve the coordination of anti-poverty programmes	Graduation of households out of poverty	Quarterly local task team meetings	Meetings held Quarterly reports Development of Anti-poverty strategy	4	4	4	4	4
Corporate& Social Services	Empowered young people, able to realize their full potential/ meaning contributions	Youth Development	Facilitate & the coordinating of youth issues	Enhance the capacities of young people by addressing their needs/ promoting positive outcomes (social& economical)	Implementation/ support and monitoring through awareness, education, training & development sessions	Number of sessions held	30	40	50	60	70
						People reached	300	350	400	450	500
Corporate& Social Services	Empowered young people, able to realize their full potential/ meaning contributions	Youth Development	Facilitate & the coordinating of youth issues	Enhance the capacities of young people by addressing their needs/ promoting positive outcomes (social& economical)	Implementation, support and monitoring of the functioning of the George Youth Development Council	Number of meetings held	12	12	12	12	12
Corporate& Social Services	Empowered young people, able to realize their full potential/ meaning contributions	Youth Development	Facilitate & the coordinating of youth issues	Enhance the capacities of young people by addressing their needs/ promoting positive	Implementation, support and monitoring of Peer Educators Programme	No. of persons reached	300	350	400	450	500

				outcomes (social& economical)							
Corporate& Social Services	Empowered young people, able to realize their full potential/ meaning contributions	Youth Development	Facilitate & coordinate the strengthening of youth issues	Enhance the capacities of young people by addressing their needs/ promoting positive outcomes (social& economical)	Implementation of Special Events	No. of Special Events	1	1	1	1	1
						No. of consultation sessions held	800	1000	1200	1400	1600
Corporate& Social Services	Empowered young people, able to realize their full potential/ meaning contributions	Youth Development	Facilitate & coordinate the strengthening of youth issues	Enhance the capacities of young people by addressing their needs/ promoting positive outcomes (social& economical)	Provide support to Youth Development Programmes from Government and other Service Providers	No. of Programmes	15	15	15	15	15
Corporate& Social Services	To reduce new HIV infection by 50% Reduce the impact of HIV/AIDS on individuals, families, communities and society, by 2016	HIV/AIDS	To contribute towards the reduction in the prevalence of HIV/Aids in the Municipal area	Ensure a healthy and empowered community	Number of special events and health campaigns organize. Number of people counselled by HIV counsellors number of treatment and care projects	No. of events held	3	3	3	3	3
						No of health campaigns held	60	60	60	60	60
						No. of people reached	500	500	500	500	500
						No of people counselled	300	350	400	450	500

						Projects implemented	5	5	6	6	6
Corporate & Social Services	A skilled and capable workforce to support inclusive growth	Good Governance and Public participation	To review & implement the Employment Equity Plan	Grow George	Implementation of the Employment Equity Act	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate
Corporate & Social Services	A skilled and capable workforce to support inclusive growth	Municipal Transformation and Institutional Development	To facilitate training and development of employees and Councillors	Grow George	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	Dependent on the availability of funds (Provisional Budget – R800 000)	Dependent on the availability of funds	Dependent on the availability of funds	Dependent on the availability of funds	Dependent on the availability of funds
Corporate & Social Services	Decent employment through inclusive economic growth	Local Economic Development	To create and facilitate an enabling environment for Economic Development in the Municipality	Grow George	The number of job opportunities created through municipality's economic development initiatives including EPWP	Number of job opportunities (FTE's) created					

Corporate & Social Services	A skilled and capable workforce to support inclusive growth	Municipal Transformation and Institutional Development	Recruitment and selection of staff for budgeted vacancies	Grow George	Creation of an effective institution with sustainable capacity	% Vacancy level as % of approved organogram (Budgeted)	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate	Dependent on the availability of funds in line with retirement/resignation rate
Corporate & Social Services	A responsive, accountable, effective and efficient local government system	Municipal Transformation and Institutional Development	To maintain sound labour relations	Good Governance in George	Effective labour relations by facilitating regular LLF meetings per annum	No meetings of the LLF per annum	10	10	10	10	10
Corporate & Social Services	A skilled and capable workforce to support inclusive growth	Municipal Transformation and Institutional Development	To facilitate training and development of employees and Councillors	Grow George	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	Dependent on the budget and training needs analysis	Dependent on the budget and training needs analysis	Dependent on the budget and training needs analysis	Dependent on the budget and training needs analysis	Dependent on the budget and training needs analysis
Corporate & Social Services	Decent employment through inclusive economic growth	Local Economic Development	To create and facilitate an enabling environment for Economic Development in the Municipality	Grow George	Economic Development is driven by a strategy	Economic Development strategy reviewed by May 2012	Council approved Strategy	-	-	-	-

Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Electro Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Effective management of the Dept: Electro technical	Deliver quality in services in George	Limit electricity system losses	% losses	<10%	<10%	<10%	<10%	<10%
Electro Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	Effective management of the Dept: Electro technical	Deliver quality in services in George	Electricity master plan updated and aligned with budget & IDP by the end of May	% aligned	95%	95%	95%	95%	95%
Electro Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To distribute electricity to all residents in George	Deliver quality in services in George	Percentage of households in informal areas with access to basic level of electricity as planned by the Department of Planning and Housing (subject to availability of funds)	% of informal households with access	96%	96%	96%	96%	96%
Electro Technical Services	An effective, competitive and responsive economic infrastructure network	Basic Service Delivery	To distribute electricity to all residents in George	Deliver quality in services in George	Percentage of new informal areas supplied with electricity as planned (subject to availability of funds)	% of informal households with supply	95%	95%	95%	95%	95%

Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Environmental Affairs	Environmental assets and natural resources that are well protected and continually enhanced	Basic Service Delivery	To provide an integrated waste management service for the total municipal area	Keep George safe and green	Minimise waste in terms of recycling	Tons waste recycled	1200	1250	1300	1350	1400
Environmental Affairs	Environmental assets and natural resources that are well protected and continually enhanced	Basic Service Delivery	To provide an integrated waste management service for the total municipal area	Keep George safe and green	Household refuse collected (transfer station)	Tons of refuse collected	31 000	31 300	31 500	32 000	33 000
Environmental Affairs	Sustainable human settlements and improved quality of household life	Basic Service Delivery	To develop, improve and manage municipal sport facilities and facilitate sport activities in the Municipality	Deliver quality services in George	Municipal sport facilities are wheelchair friendly	Number of sport facilities	12	12	13	14	14
Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Financial Services	Create a better South Africa and contribute to a better and safer Africa and World	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	35853	35853	35853	35853	35853

Financial Services	Create a better South Africa and contribute to a better and safer Africa and World	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Quantum of free basic water per household in terms of the equitable share requirements	Quantum (Kl) of free basic water provided per household pm	6	6	6	6	6
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	15788	15788	15788	15788	15788
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic sanitation in terms of the equitable share requirements	Quantum (R) of free basic sanitation provided per HH pm	240.20	254.61	269.88	286.08	303.24
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	35853	35853	35853	35853	35853
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per normal household	20	20	20	20	20

Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic electricity in terms of the equitable share requirements	Quantum (kWh) of free basic electricity per indigent household	70	70	70	70	70
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	15788	15788	15788	15788	15788
Financial Services	A better South Africa, a better Africa and world	Basic Service Delivery	To maintain effective credit control in the Municipality	Good governance in George	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum (R) of free basic refuse removal per month per household	101.05	107.11	113.54	120.35	127.57
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Financial viability measured in terms of the municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	17.1	17.1	17.1	17.1	17.1
Financial Services	A responsive, accountable, effective and	Municipal Financial Viability and	To maintain effective credit control in the	Good governance in George	Financial viability measured in terms of the outstanding	Service debtors to revenue –	13.2	13.2	13.2	13.2	13.2

	efficient local government system	Management	Municipality		service debtors	(Total outstanding service debtors/ revenue received for services)					
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	2.6	2.6	2.6	2.6	2.6
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To manage and control all assets in the Municipality in a cost effective way to provide a continues service to the public	Good governance in George	Compliance with GRAP 16, 17 & 102 to ensure effective asset management	0 findings in the audit report on non-compliance	0	0	0	0	0
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Improved revenue collection	% Debt recovery rate	98	98	98	98	98
Financial Services	A responsive, accountable, effective and efficient local government	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	No of Root causes of issues raised by AG in AG report of the previous financial year	No of Root causes addressed	4	4	4	4	4

	system				addressed to promote a clean audit						
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Approved financial statements submitted by 31 August	Approved financial statements submitted	Approved financial statements submitted by 31 August	Approved financial statements submitted by 31 August	Approved financial statements submitted by 31 August	Approved financial statements submitted by 31 August	Approved financial statements submitted by 31 August
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	100	100	100	100	100
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To maintain effective credit control in the Municipality	Good governance in George	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	100	100	100	100	100
Financial Services	A responsive, accountable, effective and efficient local government system	Municipal Financial Viability and Management	To manage and control all assets in the Municipality in a cost effective way to provide a continues service to the public	Good governance in George	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	0	0	0	0	0

Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To compile the annual budget according to the MFMA and relevant legislation	Good governance in George and control	The main budget is approved by Council by the legislative deadline	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May	Approval of Main Budget before the end of May
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To compile the annual budget according to the MFMA and relevant legislation	Good governance in George	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February	Approval of Adjustments Budget before the end of February
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Arrangement of Council/Committee meetings as per the meeting schedule of Council, and compiling the agenda's and minutes to Council meetings	Good governance in George	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	12	12	12	12	12
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Arrangement of Council/Committee meetings as per the meeting schedule of Council, and compiling the	Good governance in George	Effective functioning of the committee system measured by the number of committee meetings per	No of sec 79 committee meetings per committee per quarter	1	1	1	1	1

			agenda's and minutes to Council meetings		committee per quarter						
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good governance in George	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	100	100	100	100	100
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good governance in George	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Good governance in George	The municipality comply with all the relevant legislation	% compliance with laws and regulations					
Municipal Manager	Sustainable human settlements and improved quality	Good Governance and Public participation	To ensure effective integrated development planning and	Good governance in George	IDP and Sectoral Plans aligned with Spatial development plan	% alignment	100	100	100	100	100

	of household life		performance management in the municipality								
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good governance in George	IDP and approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May	IDP approved by the end of May
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good governance in George	The IDP is comprehensive and complies with the requirements of the Systems Act	No of required Sectoral Plans included in the IDP	8	8	8	8	8
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Effective internal and external communication in the Municipality	Participate in George	The municipality listens and talks back to its people by ensuring that the IDP is consulted with all wards	No of ward committees consulted	25	25	25	25	25
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Participate in George	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	25	25	25	25	25

Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	Effective internal and external communication in the Municipality	Participate in George	Effective communication with communities	Development of an all inclusive external and internal communication policy by December 2012	Adopted policy	N/A	N/A	Review	N/A
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Participate in George	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per annum	25	25	25	25	25
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Participate in George	To determine citizen satisfaction	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually	Citizen satisfaction survey conducted by December annually
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good governance in George	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	6 (until the issue of the Community Safety Directorate is resolved)	6	6	6	6

Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To ensure effective integrated development planning and performance management in the municipality	Good Governance in George	Annual report and oversight report of council submitted before the end of January & end of March respectively	Report submitted to Council	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively	Annual report and oversight report of council submitted before the end of January & end of March respectively
Municipal Manager	A development-orientated public service and inclusive citizenship	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Good Governance in George	Functional performance audit committee measured by the number of meetings per annum	No of meetings held	4	4	4	4	4
Municipal Manager	A responsive, accountable, effective and efficient local government system	Good Governance and Public participation	To evaluate the effectiveness of risk management, control and governance processes	Good Governance in George	Risk based audit plan approved by June 2013	Plan approved	Approved Plan	-	-	Review	-
Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Community Safety	All people in south Africa protected and	Basic Service Delivery	To develop, update and implement the Municipal	Good Governance in George	Revision of disaster management plan by the end of May 2012 to ensure	Plan revised	Revised Plan	Revised Plan	Revised Plan	Revised Plan	Revised Plan

	feel safe		Disaster Management Plan		compliance with the necessary legislation						
Directorate [R]	National Outcome [R]	National KPA [R]	Municipal Objective [R]	Strategic Goal	KPI [R]	Unit of Measurement	2012/13	2013/14	2014/15	2015/16	2016/17
Planning and Housing	Sustainable human settlements and improved quality of household life	Municipal Financial Viability and Management	Financial Management	Good Governance in George	Effective response to all queries raised in the audit report and manage departmental budget	% of Capital budget spent less savings	90%	90%	90%	90%	90%
Planning and Housing	Sustainable human settlements and improved quality of household life	Municipal Financial Viability and Management	Financial Management	Good Governance in George	Effective response to all queries raised in the audit report and manage departmental budget	% of Operating budget spent (excluding votes managed by Finance Department and grant funding)	90%	90%	90%	90%	90%
Planning and Housing	Sustainable human settlements and improved quality of household life	Good Governance and Public participation	Knowledge Management	Good Governance in George	Ability and commitment to implement all council resolutions within the required legislative framework	% Of applicable council resolutions implemented by the department	98%	98%	98%	98%	98%
Planning and Housing	Sustainable human	Municipal Transformatio	People Diversity and	Grow George	To facilitate training and development of	Number of staff	16	16	16	16	16

	settlements and improved quality of household life	n and Institutional Development	Management		employees and Councillors	attending training sessions per annum					
Planning and Housing	Sustainable human settlements and improved quality of household life	Municipal Transformation and Institutional Development	Knowledge Management	Keep George safe and green	To provide a safe and healthy work environment to all employees	Ensure the attendance of scheduled departmental SHE meetings	8	8	8	8	8
Planning and Housing	Sustainable human settlements and improved quality of household life	Good Governance and Public Participation	To provide a service to an internal or external customer	Participate in George	Process 80% of all complaints received within 7 working days after being reported	% implementation	80%	80%	80%	80%	80%
Planning and Housing	Sustainable human settlements and improved quality of household life	Basic Service Delivery	To provide for the needs of the homeless by providing safe and integrated human settlements	Deliver quality services in George	Implementation of Integrated Human Settlement Strategy measured by the % implemented or % adherence to policy or no of projects complying with approved strategy by the end of June	No of houses completed	500	500	500	1425	1425

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

Table 33 – SA8: Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>										
Credit Rating	Interest & Principal Paid /Operating Expenditure	A2	A2	A2	A2	A2	A2			
Capital Charges to Operating Expenditure		7.2%	9.7%	9.4%	9.3%	8.9%	8.9%	8.8%	8.3%	8.0%
Capital Charges to Own Revenue		Finance charges & Repayment of borrowing /Own Revenue	9.0%	12.9%	12.9%	11.5%	11.5%	11.5%	11.0%	10.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	13.9%	89.0%	100.8%	45.1%	0.0%	0.0%	17.9%	2.4%	2.3%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	95.8%	695.4%	736.6%	656.0%	927.3%	927.3%	623.2%	544.1%	463.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	4.5	3.5	2.9	4.2	4.1	4.1	3.8	3.4	3.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.5	3.5	2.9	4.2	4.1	4.1	3.8	3.4	3.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	0.9	1.1	1.2	1.6	1.6	1.6	1.5	1.5
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		101.9%	100.8%	116.5%	97.0%	100.3%	100.3%	104.5%	104.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			101.9%	100.5%	116.2%	96.9%	100.2%	100.2%	103.9%	103.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.2%	23.4%	14.1%	10.9%	10.7%	10.7%	10.5%	8.6%	5.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		33.3%	57.1%	40.1%	38.2%	22.6%	22.6%	22.4%	23.3%	19.3%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	5.5%	6.6%	5.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	7.7%	5.3%	8.8%	4.5%	4.5%	4.5%	5.5%	7.5%	7.5%
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.2%	36.5%	30.1%	25.4%	25.3%	25.3%	27.7%	27.6%	27.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31.7%	38.1%	31.5%	26.8%	26.8%	26.8%	29.3%	29.2%	29.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.0%	8.7%	7.3%	7.1%	6.1%	6.1%	6.9%	6.8%	6.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.3%	21.1%	19.4%	16.6%	17.3%	17.3%	16.6%	14.6%	13.2%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.8	11.7	15.9	16.9	16.9	16.9	14.6	14.3	15.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.0%	28.0%	18.5%	13.2%	13.7%	13.7%	13.5%	10.9%	7.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.1	3.4	4.3	2.8	4.5	4.5	4.5	4.3	3.9

2.6 – Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

The budget committee considered amendments to all the various policies and amendments were made.

The following budget related policies were reviewed:

1. Tariff policy
2. Rates policy
3. Customer Care, Credit Control and Debt Collection policy
4. Indigent policy (Free basic services)
5. Virement policy (Shifting of funds)

The following financial policies need to be reviewed in future:

1. Cash Management, Borrowing and Investment Policy
2. Budget Funding and Reserves policy
3. Long-Term Financial policy
4. Supply Chain Management policy
5. Management and Disposal of Assets policy
6. Infrastructure Investment and capital projects including –
 - Planning and Approval of Capital projects
 - Policy on Developer Contributions
7. Unforeseen and Unavoidable expenditure
8. Policy dealing with Management and Oversight
9. Policy to manage electricity and water losses, conservation and efficiency
10. Personnel policies – overtime, vacancies and temporary staff

Budget related policies are attached as Annexure's.

2.6.1 – Review of current policies

The following budget related policies were reviewed and minor sentence structure changes were made. However the following major policy changes were made;

2.6.1.1 – Review of Customer care, credit control and debt collection policies

With the current establishment and institutionalisation of the in-house credit control unit and call centre a full review of this policy will be done. Thus, for this policy only minor sentence structure changes and wording was made.

The policy has been formulated in accordance with all the relevant legislation and strategies.

2.6.1.2 – Indigent Policy

The Indigent Policy has been reviewed. The following new insertions were made:

7. OTHER CATEGORIES OF INDIGENT

7.1 Indigent Households in Retirement Centres and Old Age Homes

- 7.1.1 Care centres where elderly/frail care is provided. For the 2012/13 financial year, the subsidy will be restricted to a fixed amount of R120 per month per resident with an income equal or lower than R4 000 per month. The indigent assistance is rendered in the form of credit on the monthly account payable by the management of the particular institution. The total subsidy will not exceed the total monthly municipal account.*
- 7.1.2 Indigent customers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this policy.*
- 7.1.3 The onus will be on the Board of Trustees/Managing Agent to apply to the Municipality, for indigent status to be granted in respect of electricity consumption on behalf of the owners of those units, who meet the criteria and conditions of qualification.*

7.2 A place of Public Worship in Indigent Areas

- 7.2.1 Churches who are categorised in the Valuation Roll as a "Place of public worship" in terms of the Municipal Properties Rates Act and where more than 50% of the members of that congregation is registered as indigents in terms of the Council's Indigent Policy. For the 2012/13 financial year, the subsidy will be restricted to the subsidising of all basic services charged.*
- 7.2.2 The onus will be on the Minister of the Church to submit proof to Council of the number of members registered as indigents in terms of Council's Indigent Policy. This must be done through submission of ID numbers of the members qualifying and a affidavit in respect of the total number of members belonging to the congregation.*

2.6.1.3 – Tariff policy

Specific legislation applicable to each service has been taken into consideration when determining this policy. The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

The following new insertions were made:

Paragraphs ee, ff, 3 (f) inserted as follows;

ee) any reference in this tariff policy to “an availability charge” in relation to a particular service (albeit water, electricity, sanitation and refuse removal) shall mean an amount payable by the consumer in respect of the service as the consumer may reasonably be connected to the service which is available although the vacant property concerned is not in fact so connected and or serviced. In contrast hereto a “charge” shall refer to the minimum amount payable by the consumer in respect of a particular service irrespective of the extent to which the service is used during any given period of time.

ff) For subdivisions or group housing developments, where the developer provides the internal civil services, availability charges for all erven approved and subdivided within the development of water, electricity, refuse removal and sanitation (where applicable) become payable 12 months after the issue of the Completion Certificate in terms of GCC 2010. If an individual erf within the development is transferred before the 12 month period has expired, availability charges for that specific erf will become payable for water and sewer as on the date of transfer, the submission of a building plan or the request for a Certificate of Registered Title. The date of the completion certificate must be confirmed by the director responsible for the specific service and which certificate a copy must be submitted immediately on receipt to the financial department.

3)f) Public Transport

The George Municipality together with the Provincial Department Transport and Public Works aim to implement a public transport service in George. A 5km stage distance with 15km base distance will be used. The Fare will be calculated as follows:

*Total transport Fare = Policy Percentage X (Minimum wage/40) X Base Fare
X Base Rate X Shape Factor^{Stages}*

Fares will be linked to the Minimum Wage of Urban Domestic Workers employed more than 27 hours per month Stage based public transport tariff based on a 5km stage distance with 15km as the base distance.

Electricity tariffs- Paragraph 11 (c)(iii) and e)(iv)

a) The qualification criteria to be placed on one part tariff – where the average of consumption is less than 400kWh per month, is as follows:

- (i) All Households that are defined as indigent household consumers as per the credit control policy of Council.*
- (ii) All consumers which have been identified as permanently inhabited households and meet the following criteria;*

1. *Reside for a minimum period of 9 months per year in the dwelling.*
2. *A consumer must submit a sworn affidavit form before any Commissioner of Oath to this effect.*
3. *A new affidavit must be handed in annually before 1 July of each financial year in order to remain on the one part tariff.*

b) (iv) This is applicable to all conventional household credit meters where households have an average consumption of less than 400kWh per month and where households are categorised as non-permanent household and don't meet the criteria as given in paragraph c)(iii) above.

2.6.1.4 – Property Rates Policy

The Property Rates Policy has been formulated in terms of the Local Government: Municipal Property Rates Act, 2004.

The following new insertions were made:

A definition for a bona fide farming was introduced;

“bona fide agricultural/farming purposes” means farming/agricultural land or property:

- (i) *Zoned as agricultural/farming and used predominantly for bona fide farming purposes excluding property used for purposes of eco-tourism or a game farm;*

The following section was added;

17. (1.2) SUPPLEMENTARY VALUATIONS-

A municipality must, whenever necessary, cause a supplementary valuation to be made in respect of any rateable property-

- (1)(a) *incorrectly omitted from valuation roll;*
- (1)(b) *included in a municipality after the last general valuation;*
- (1)(c) *subdivided or consolidated after the last general valuation;*
- (1)(d) *of which the market value has substantially increased or decreased for any reason after the last general valuation;*
- (1)(e) *substantially incorrectly valued during the last general valuation;*
- (1)(f) *that must be re-valued for any other exceptional reason; or*
- (1)(g) *of which the category has changed*

(2) *Rates on a property based on the valuation of that property in a supplementary roll become payable with effect from-*

- a) *The effective date of the supplementary roll, in the case of a property referred to in subsection (1)(a), (e) or (f);*
- b) *The date on which the property was included in the (1)(h);*

- c) The date on which the subdivision or consolidation of the property was registered in the Deeds Office, in the case of properties referred to in subsection (1)(c);*
- d) The dates on which the event referred to in subsection (1)(d) has occurred; or*
- e) The date on which the change of category referred to in subsection (1)(g) occurred.*

2.6.1.5 – Virement Policy (Shifting of Funds)

The following insertion change was made, paragraph 6.5:

- 6.5 The following specific virements are not permitted;*
- 6.5.1 Virements in relation to the revenue side of the budget;*
- 6.5.2 Virements from the capital budget to the operating budget;*
- 6.5.3 Virements towards personnel expenditure;*
- 6.5.4 Virements to or from the following items are not permitted: bulk purchases, debt impairment, interest charges, depreciation, grants to individuals, revenue foregone, insurance and VAT;*
- 6.5.5 Virements that will result in adding “new” projects to the Capital budget;*
- 6.5.6 Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework.*

2.7 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.7.1 – National Treasury MFMA Circular No 59

This Circular was issued on 16 March 2012 and it provides further guidance to municipalities for the preparation of the 2012/13 budget and MTREF and was used in preparing this budget. A copy of the Circular is attached as an Annexure to the document.

2.7.2 – Inflation Outlook

In MFMA Circular No 59, inflation forecasts are estimated at 5.9%, 5.3% and 4.9% respectively for the years 2012 to 2014.

The following allowances are included in the operating budget for general inflation over the MTREF period.

	2012/13	2013/14	2014/15
General inflation	5%	5%	5%

2.7.4 – Rates, tariffs, charges and timing of revenue collection

The rates, tariffs and charges for the 2012/13 budget are included in Annexure.

The following table shows the assumed average percentage increases built into the MTREF for rates tariffs and charges;

	2012/13	2013/14	2014/15
Rates	7%	7%	7%
Tariffs : Water	8%	8%	8%
Sewerage	8%	8%	8%
Electricity	11.03%	11.03%	11.03%
Cleaving	8%	8%	8%
General Charges	6%	6%	6%

TARIFF CHANGES SUGGESTED FOR 2012/13

Rates Tariffs

The General Valuation Roll (GV) for the financial years 2012/2013 – 2015/2016 was compiled by Cape Data Valuers and was open for public inspection from 2 February 2012 to 16 March 2012. The period for inspection of the general valuation roll was subsequently extended to 30 March 2012.

To date ±3 500 objections were lodged. All of the objections will have been handled by the end of May 2012 and the objectors will be informed in writing of the outcomes.

The total value of the valuation rolls for 2007 and 2012 are as follows:

GV 2007 Final Total	:	R33, 695,480,880
GV 2012 Total	:	R36, 346,630,885
Difference	:	R 3, 398,868,610

The suggested property rates tariffs, applied to the total valuation, in the Greater George Municipal Area for 2012/13 are:

- for all residential properties is R0,005014; and
- for all business/industrial zoned sites is R0,006021.

Water Tariffs

The Budget Committee debated the possibility of phasing out the 6kl free water for non-indigent households. The Committee argued that the matter should be further investigated before embarking on the phasing out of the 6kl free water. The tariffs 1413 and 1422 for farms will be phased out as from 01 July 2012.

Electricity Tariffs

NERSA proposes that Inclining Block Tariffs (IBT's) for domestic / residential customers should be implemented by municipalities. George Municipality does not support the principle of IBT's and is busy with negotiations regarding the implementation of the IBT's. George Municipality is awaiting NERSA's response on their proposal.

The Budget Committee furthermore decided to introduce a basic electricity tariff so that houses, where the monthly consumption of electricity is below a benchmark – 400kWh per month and does not reside in the dwelling for a minimum of 9 months, will also contribute to the maintenance and upgrading of the capital infrastructure. The applicable tariff is included in the tariff list.

The Budget Committee furthermore decided to discontinue the awarding of 20kWh electricity to all households.

George Municipality Tariffs versus the DMA Tariffs

The Budget Committee investigated the DMA tariffs. The Budget Committee recognises that where there are different levels of service delivery the tariffs should differ. The Budget Committee investigated what the impact would be if George Municipality tariffs for electricity, that are more favourable than the DMA tariffs are implemented from July 2012. The remainder of the tariffs were investigated and the Budget Committee proposes that the normal tariff increases will be applicable to the rest of the DMA tariffs. The tariffs for the DMA have been incorporated in the George Tariff List. See tariff list in Budget Document.

Capital Contributions

The proposed increases in capital contributions are as follows:

Electricity	5%
Public Open Spaces	6%
Water	5%
Refuse	5%
Sewerage	5%

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

Rates	Annual billing in July. Interim billing throughout the year
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

2.7.5 – Collection rates for each revenue source and customer type

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	2012/13	2013/14	2014/15
Provision for bad and doubtful debts	R21.2m	R21.7m	R30.9m
Assumed collection rate	95%	95%	95%

2.7.6 – Price movements on specifics e.g. bulk purchases

The following amounts are included in the MTREF for increases in bulk purchases;

	2012/13	2013/14	2014/15
ESKOM	R279.9m	R317.7m	R360.7m

2.7.7 – Average salary increases

The MTREF includes the following average percentage increases for wages and salary and for councillors' allowances;

	2012/13	2013/14	2014/15
Councillors	6%	6%	6%
Senior Managers	6%	6%	6%
Administrative, professional, technical and clerical	6%	6%	6%
Manual	6%	6%	6%

2.7.8 – Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is virtually entirely dependant on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by George will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period.

	2012/13	2013/14	2014/15
Training Budget	R750 000	R750 000	R750 000

2.7.9 – Trends in demand for free or subsidised basic services

George's criteria for supporting free or subsidised basic services are set out in the Indigent Policy. The Government allocates revenue via the Equitable Share

grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation are met by the Municipality.

2.7.10 – Ability of the municipality to spend and deliver on the programmes

In 2011/12 the Municipality has so far spent R69.7 m (at the time that this report was compiled) out of an adjusted capital budget of R133.3 m, equating to 52% of the total budget. Against the original budget of R162m the spending is 42.8%.

Spending is monitored closely throughout the year and Senior Managers must ensure that capital schemes are supported by robust planning. The Municipality is currently reviewing its capital planning processes.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillor, municipal manager, directors and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending.

2.7.11 – Implications of restructuring and other major events into the future

The budget does not include any provision for the establishment of a Regional Electricity Distributor (RED) for George as council does not support the move towards a RED. There is therefore still considerable uncertainty as to how and when this would operate.

George currently has 25 wards. The number of Councillors has also increased from 39 to 49. The District Management Area (Uniondale and surrounds) forms part of George Municipality.

The wage curve negotiations are in process but the implementation date is not clear at this stage. The municipality has done an estimate of the financial impact of implementing the wage curve and provided for that in the 2012/13 budget.

2.8 Other Supporting documents

2.8.1 Grants and subsidies

Table 34 – SA15: Investment Particulars by Type

WC044 George - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality	1									
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total		-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-	
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-	
Entities sub-total	-	-	-	-	-	-	-	-	-	
Consolidated total:		-	-	-	-	-	-	-	-	

Table 35 – SA16: Investment Particulars by Type

WC044 George - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised	
Name of institution & investment ID	1	Yrs/Months								Rand thousand		
Parent municipality										-	-	
										-	-	
										-	-	
										-	-	
										-	-	
										-	-	
										-	-	
Municipality sub-total											-	-
Entities											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
Entities sub-total											-	-
TOTAL INVESTMENTS AND INTEREST	1									-	-	

The George Municipality does not have any investments at this time.

Table 36 – SA17: Borrowing

WC044 George - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand											
Parent municipality	1										
Long-Term Loans (annuity/reducing balance)		389,968	487,384	520,870	534,734	488,027	488,027	453,031	413,366	369,968	
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-	
Local registered stock		-	-	-	-	-	-	-	-	-	
Instalment Credit		-	-	-	-	-	-	-	-	-	
Financial Leases		4	-	-	-	-	-	9,650	10,800	9,000	
PPP liabilities		-	-	-	-	-	-	-	-	-	
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-	
Marketable Bonds		-	-	-	-	-	-	-	-	-	
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-	
Bankers Acceptances		-	-	-	-	-	-	-	-	-	
Financial derivatives		-	-	-	-	-	-	-	-	-	
Other Securities		-	-	-	-	-	-	-	-	-	
Municipality sub-total			389,972	487,384	520,870	534,734	488,027	488,027	462,681	424,166	378,968
Entities		1									
Long-Term Loans (annuity/reducing balance)	-		-	-	-	-	-	-	-	-	
Long-Term Loans (non-annuity)	-		-	-	-	-	-	-	-	-	
Local registered stock	-		-	-	-	-	-	-	-	-	
Instalment Credit	-		-	-	-	-	-	-	-	-	
Financial Leases	-		-	-	-	-	-	-	-	-	
PPP liabilities	-		-	-	-	-	-	-	-	-	
Finance Granted By Cap Equipment Supplier	-		-	-	-	-	-	-	-	-	
Marketable Bonds	-		-	-	-	-	-	-	-	-	
Non-Marketable Bonds	-		-	-	-	-	-	-	-	-	
Bankers Acceptances	-		-	-	-	-	-	-	-	-	
Financial derivatives	-		-	-	-	-	-	-	-	-	
Other Securities	-		-	-	-	-	-	-	-	-	
Entities sub-total			-	-	-	-	-	-	-	-	-
Total Borrowing	1		389,972	487,384	520,870	534,734	488,027	488,027	462,681	424,166	378,968

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		4,115	2,996	20,291	-	700	700	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	4,115	2,996	20,291	-	700	700	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	4,115	2,996	20,291	-	700	700	-	-	-

Table 37 – SA18: Transfers and grants receipt

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	38,198	44,793	67,735	79,619	77,289	77,289	88,100	94,069	101,183
Local Government Equitable Share	37,048	43,527	59,340	72,201	72,201	72,201	80,370	86,196	92,766
Finance Management	750	750	1,000	1,250	1,250	1,250	1,250	1,250	1,450
Municipal Systems Improvement	400	400	750	790	790	790	800	900	950
Expanded Public Works Programme	–	117	–	1,378	1,378	1,378	736	–	–
Electricity Demand Side Grant	–	–	4,062	4,000	–	–	–	–	–
Municipal Drought Relief Grant	–	–	2,583	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	–	–	2,742	3,400	3,560
Municipal Infrastructure Grant - PMU	–	–	–	–	1,670	1,670	2,202	2,323	2,457
Provincial Government:	17,566	10,270	71,747	48,666	77,592	77,592	45,292	64,476	41,119
Housing	14,440	5,791	61,593	46,858	66,358	66,358	19,955	19,962	19,960
Proclaimed Roads	788	229	325	182	182	182	13,415	20,000	–
Local Government Masterplanning Grant	650	1,000	396	396	396	396	396	396	396
Housing Consumer Education	400	200	–	–	–	–	–	–	–
Community Development Workers Operating Grant	72	72	149	130	156	156	162	168	168
Feasibility study for Bulk Water Study	400	–	–	–	–	–	–	–	–
Library Grant	756	783	1,018	1,100	1,240	1,240	1,364	–	–
AMP's and Technical Audit Grant	60	80	–	–	–	–	–	–	–
Lawaikamp Artificial Soccer Pitch	–	500	–	–	–	–	–	–	–
Flood Damage - Housing	–	1,615	3,000	–	–	–	–	–	–
Cleanest Town Competition	–	–	120	–	–	–	–	–	–
Greenest Town Competition	–	–	–	–	60	60	–	–	–
Integrated Public Transport Grant	–	–	–	–	9,000	9,000	10,000	23,950	20,595
Financial Management Support Grant	–	–	–	–	200	200	–	–	–
Swimming Pool Grant - Heather Park	–	–	147	–	–	–	–	–	–
Provincial Contribution towards the Acceleration of Housing Delivery	–	–	5,000	–	–	–	–	–	–
District Municipality:	350	–	500	–	–	–	–	–	–
Storm Water Master Planning Grant	350	–	500	–	–	–	–	–	–
Other grant providers:	1,837	3,258	2,509	2,565	2,565	2,565	16,402	10,045	12,693
Storm Water Master Planning (DBSA)	–	936	197	–	–	–	–	–	–
DWAF	1,576	1,612	1,788	2,035	2,035	2,035	2,880	2,880	2,880
LGSETA	206	687	524	520	520	520	500	500	500
SANRAL - N2/York Street bridge widening	–	–	–	–	–	–	13,022	6,665	9,313
African Skills Village	55	23	–	10	10	10	–	–	–
Total Operating Transfers and Grants	57,951	58,321	142,492	130,850	157,446	157,446	149,794	168,590	154,996
Capital Transfers and Grants									
National Government:	41,647	41,571	115,692	51,158	46,488	46,488	54,500	46,038	49,130
Municipal Infrastructure Grant (MIG)	10,356	12,399	22,174	36,309	34,639	34,639	41,842	44,138	46,690
Regional Bulk Infrastructure	–	7,000	17,163	8,500	5,500	5,500	3,000	–	–
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Municipal Drought Relief Grant	–	15,000	72,417	–	–	–	–	–	–
Municipal Infrastructure Disaster Grant	30,958	–	–	–	–	–	–	–	–
Integrated National Electrification Programme	–	–	2,000	5,349	5,349	5,349	8,400	1,500	2,000
Electricity Demand Side Grant	216	7,172	1,938	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	–	–	258	400	440
Expanded Public Works Programme	117	–	–	1,000	1,000	1,000	1,000	–	–
Provincial Government:	29,987	5,196	12,927	2,000	13,800	13,800	21,500	21,500	21,500
Housing	19,387	2,723	2,999	–	4,800	4,800	20,000	20,000	20,000
Mobility Strategy	10,600	2,474	9,900	2,000	2,000	2,000	–	–	–
Library Grant	–	–	28	–	–	–	–	–	–
George Integrated Public Transport Network	–	–	–	–	7,000	7,000	1,500	1,500	1,500
District Municipality:	–	200	–	–	–	–	–	–	–
Electrification - DMA Area	–	200	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	3,000	3,000	–	–	–
Youth Development against Violence through Sport	–	–	–	–	3,000	3,000	–	–	–
Total Capital Transfers and Grants	71,634	46,967	128,619	53,158	63,288	63,288	76,000	67,538	70,630
TOTAL RECEIPTS OF TRANSFERS & GRANTS	129,585	105,288	271,111	184,008	220,734	220,734	225,794	236,128	225,626

Table 38 – SA19: Expenditure on transfers and grants

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	38,577	46,133	67,491	75,619	78,776	78,776	88,100	94,069	101,183
Local Government Equitable Share	37,048	43,527	59,340	72,201	72,201	72,201	80,370	86,196	92,766
Finance Management	1,083	2,291	1,516	1,250	1,892	1,892	1,250	1,250	1,450
Municipal Systems Improvement	446	315	398	790	1,227	1,227	800	900	950
Expanded Public Works Programme	–	–	–	1,378	1,378	1,378	736	–	–
Electricity Demand Side Grant	–	–	3,654	–	409	409	–	–	–
Municipal Drought Relief Grant	–	–	2,583	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	–	–	2,742	3,400	3,560
Municipal Infrastructure Grant - PMU	–	–	–	–	1,670	1,670	2,202	2,323	2,457
Provincial Government:	29,859	11,297	66,952	50,266	84,521	84,521	45,292	64,476	41,119
Housing	17,125	5,791	63,439	46,858	72,364	72,364	19,955	19,962	19,960
Proclaimed Roads	788	229	325	182	182	182	13,415	20,000	–
Local Government Masterplanning Grant	–	1,650	396	396	396	396	396	396	396
Housing Consumer Education	419	470	116	–	6	6	–	–	–
Community Development Workers Operating Grant	32	130	174	130	156	156	162	168	168
Feasibility study for Bulk Water Study	400	–	–	–	–	–	–	–	–
Library Grant	756	783	938	1,100	1,320	1,320	1,364	–	–
AMP's and Technical Audit Grant	60	80	–	–	–	–	–	–	–
Lawaikamp Artificial Soccer Pitch	–	500	–	–	–	–	–	–	–
Spatial Development Framework	–	50	63	–	262	262	–	–	–
Flood Damage - Housing	10,278	1,615	1,476	1,600	534	534	–	–	–
Cleanest Town Competition	–	–	25	–	95	95	–	–	–
Greenest Town Competition	–	–	–	–	60	60	–	–	–
Integrated Public Transport Grant	–	–	–	–	9,000	9,000	10,000	23,950	20,595
Swimming Pool Grant - Heather Park	–	–	–	–	147	147	–	–	–
District Municipality:	–	350	500	–	–	–	–	–	–
Storm Water Master Planning Grant	–	350	500	–	–	–	–	–	–
Other grant providers:	1,837	3,258	2,312	2,565	2,565	2,565	16,402	10,045	12,693
Storm Water Master Planning (DBSA)	–	936	–	–	–	–	–	–	–
African Skills Village	55	23	–	10	10	10	–	–	–
DWAF	1,576	1,612	1,788	2,035	2,035	2,035	2,880	2,880	2,880
SANRAL - N2/York Street bridge widening	–	–	–	–	–	–	13,022	6,665	9,313
LGSETA	206	687	524	520	520	520	500	500	500
Total operating expenditure of Transfers and Grants:	70,272	61,038	137,255	128,450	165,862	165,862	149,794	168,590	154,996
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	35,026	84,627	60,775	64,158	52,760	52,760	65,600	46,038	49,130
Municipal Infrastructure Grant (MIG)	10,369	12,399	13,371	36,309	34,639	34,639	41,842	44,138	46,690
Finance Management	–	–	675	–	220	220	–	–	–
Regional Bulk Infrastructure	–	7,000	8,000	17,500	11,328	11,328	14,100	–	–
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Municipal Drought Relief Grant	–	54,363	32,013	–	–	–	–	–	–
Municipal Infrastructure Disaster Grant	24,452	6,462	44	–	–	–	–	–	–
Integrated National Electrification Programme	–	–	1,776	5,349	5,573	5,573	8,400	1,500	2,000
Electricity Demand Side Grant	206	4,286	4,895	4,000	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	–	–	258	400	440
Expanded Public Works Programme	–	117	–	1,000	1,000	1,000	1,000	–	–
Provincial Government:	34,390	3,592	10,851	6,000	18,854	18,854	30,900	21,500	21,500
Housing	19,387	2,158	2,999	–	4,800	4,800	20,000	20,000	20,000
Mobility Strategy	15,002	1,102	7,824	6,000	7,054	7,054	2,400	–	–
Khulani Woman's Project	–	332	–	–	–	–	–	–	–
Library Grant	–	–	28	–	–	–	–	–	–
George Integrated Public Transport Network	–	–	–	–	7,000	7,000	8,500	1,500	1,500
Other grant providers:	–	–	–	–	3,000	3,000	–	–	–
Youth Development against Violence through Sport	–	–	–	–	3,000	3,000	–	–	–
Total capital expenditure of Transfers and Grants	69,416	88,219	71,626	70,158	74,613	74,613	96,500	67,538	70,630
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	139,689	149,257	208,881	198,608	240,476	240,476	246,294	236,128	225,625

Table 39 – SA20: Reconciliation of transfers, grant receipts and unspent funds

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	4,722	4,344	2,888	–	2,457	2,457	–	–	–
Current year receipts	38,198	44,677	67,061	79,619	76,319	76,319	88,100	94,069	101,183
Conditions met - transferred to revenue	38,577	46,133	67,491	79,619	78,776	78,776	88,100	94,069	101,183
Conditions still to be met - transferred to liabilities	4,344	2,888	2,457	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	11,106	(11,606)	(12,181)	–	5,926	5,926	–	–	–
Current year receipts	17,566	11,910	71,747	48,666	77,392	77,392	45,292	64,476	41,119
Conditions met - transferred to revenue	40,278	12,485	66,952	48,666	78,318	78,318	45,292	64,476	41,119
Conditions still to be met - transferred to liabilities	(11,606)	(12,181)	(7,385)	–	5,000	5,000	–	–	–
District Municipality:									
Balance unspent at beginning of the year	–	350	–	–	–	–	–	–	–
Current year receipts	350	–	500	–	–	–	–	–	–
Conditions met - transferred to revenue	–	350	500	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	350	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	–	–	–	–	197	197	197	–	–
Current year receipts	1,837	3,258	2,509	2,565	2,565	2,565	16,402	10,045	12,693
Conditions met - transferred to revenue	1,782	3,235	2,312	2,565	2,565	2,565	16,599	10,045	12,693
Conditions still to be met - transferred to liabilities	55	23	197	–	197	197	–	–	–
Total operating transfers and grants revenue	80,637	62,203	137,255	130,850	159,659	159,659	149,991	168,590	154,996
Total operating transfers and grants - CTBM	(6,857)	(9,270)	(4,731)	–	5,197	5,197	–	–	–
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	75	6,819	(43,928)	9,000	11,665	11,665	11,100	–	–
Current year receipts	41,530	41,688	116,367	51,158	46,708	46,708	54,500	46,038	49,130
Conditions met - transferred to revenue	34,786	92,435	60,775	60,158	58,373	47,273	65,600	46,038	49,130
Conditions still to be met - transferred to liabilities	6,819	(43,928)	11,665	–	–	11,100	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	8,420	4,018	5,057	4,000	7,133	7,133	9,400	–	–
Current year receipts	29,987	9,905	12,927	2,000	13,800	13,800	21,500	21,500	21,500
Conditions met - transferred to revenue	34,390	8,866	10,851	6,000	20,854	11,454	30,900	21,500	21,500
Conditions still to be met - transferred to liabilities	4,018	5,057	7,133	–	80	9,480	–	–	–
District Municipality:									
Balance unspent at beginning of the year	202	202	202	–	–	202	–	–	–
Current year receipts	–	200	–	–	–	–	–	–	–
Conditions met - transferred to revenue	–	200	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	202	202	202	–	–	202	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	–	–	3,000	3,000	–	–	–
Conditions met - transferred to revenue	–	–	–	–	3,000	3,000	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	69,175	101,501	71,626	66,158	82,226	61,726	96,500	67,538	70,630
Total capital transfers and grants - CTBM	11,039	(38,668)	19,000	–	80	20,782	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	149,812	163,704	208,881	197,008	241,885	221,385	246,491	236,128	225,625
TOTAL TRANSFERS AND GRANTS - CTBM	4,182	(47,938)	14,269	–	5,277	25,979	–	–	–

2.8.1 Councillors and employee benefits

The total number of remuneration has increased from R249 million to R276 million. The increase of R27 million can be contributed to:

- Salary increase of 6% for councillors and employees,
- The incorporation of the District Municipal Area – Uniondale/Haarlem
- The introduction of the new staff structure and the adjustment of the T-gradings

Table 40 – SA22: Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	5,662	6,132	6,824	6,872	8,725	8,725	10,457	10,980	11,529
Pension and UIF Contributions	779	714	729	1,391	1,391	1,391	682	716	752
Medical Aid Contributions	125	115	84	906	106	106	126	132	139
Motor Vehicle Allowance	2,180	2,323	2,538	3,092	3,092	3,092	3,486	3,660	3,843
Cellphone Allowance	441	474	516	652	652	652	721	757	795
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	9,188	9,758	10,691	12,913	13,966	13,966	15,472	16,245	17,057
% increase		6.2%	9.6%	20.8%	8.2%	-	10.8%	5.0%	5.0%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	7,390	6,230	5,534	7,362	7,402	7,402	7,700	8,085	8,489
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	745	624	(14)	1,040	916	916	1,155	1,213	1,273
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	8,135	6,854	5,519	8,402	8,318	8,318	8,855	9,298	9,763
% increase		(15.7%)	(19.5%)	52.2%	(1.0%)	-	6.5%	5.0%	5.0%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	99,854	113,692	123,347	144,595	142,581	142,581	157,194	166,120	175,765
Pension and UIF Contributions	17,684	19,444	21,619	24,946	24,946	24,946	27,929	29,605	31,344
Medical Aid Contributions	6,364	7,274	8,655	13,022	13,022	13,022	14,877	15,770	16,717
Overtime	13,212	11,425	13,775	8,578	12,946	12,946	12,499	14,181	14,933
Performance Bonus	155	319	134	-	-	-	-	-	-
Motor Vehicle Allowance	7,095	6,992	7,799	8,164	8,194	8,194	9,480	10,049	10,652
Cellphone Allowance	460	518	510	433	433	433	443	470	498
Housing Allowances	1,641	1,426	1,271	1,125	1,125	1,125	1,246	1,321	1,400
Other benefits and allowances	9,128	17,108	16,928	10,514	12,780	12,780	15,397	16,195	17,110
Payments in lieu of leave	7,410	13,655	10,048	10,481	10,447	10,447	11,542	12,234	12,969
Long service awards	1,029	810	919	1,060	1,060	1,060	1,124	1,192	1,264
Post-retirement benefit obligations	9,553	20,222	17,731	-	-	-	-	-	-
Sub Total - Other Municipal Staff	173,584	212,886	222,737	222,919	227,534	227,534	251,731	267,136	282,652
% increase		22.6%	4.6%	0.1%	2.1%	-	10.6%	6.1%	5.8%
TOTAL SALARY, ALLOWANCES & BENEFITS	190,906	229,498	238,948	244,234	249,818	249,818	276,057	292,680	309,472
% increase		20.2%	4.1%	2.2%	2.3%	-	10.5%	6.0%	5.7%
TOTAL MANAGERS AND STAFF	181,719	219,740	228,257	231,321	235,852	235,852	260,586	276,434	292,414

Table 41 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	400,270		153,204			553,474
Chief Whip	1	375,249		144,865			520,114
Executive Mayor	1	500,330		206,417			706,747
Deputy Executive Mayor	1	400,270		153,204			553,474
Executive Committee	9	3,377,240		1,303,781			4,681,021
Total for all other councillors	36	5,403,600	807,900	2,245,270			8,456,770
Total Councillors	49	10,456,959	807,900	4,206,741			15,471,600
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1,197,000	–	–	179,550		1,376,550
Chief Finance Officer	1	937,470	–	–	140,620		1,078,090
Director: Environmental Affairs	1	925,650	–	–	138,850		1,064,500
Director: Planning and Housing	1	925,650	–	–	138,850		1,064,500
Director: Community Safety	1	925,650	–	–	138,850		1,064,500
Director: Civil Engineering	1	937,470	–	–	140,620		1,078,090
<i>List of each official with packages >= senior manager</i>							
Director: Electro-Technical Services	1	925,650	–	–	138,850		1,064,500
Director: Corporate & Social Services	1	925,650	–	–	138,850		1,064,500
Total Senior Managers of the Municipality	8	7,700,190	–	–	1,155,040		8,855,230
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	57	18,157,149	807,900	4,206,741	1,155,040		24,326,830

Table 42 – SA24: Summary of personnel numbers

Summary of Personnel Numbers	2010/11			Current Year 2011/12			Budget Year 2012/13		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	39	–	39	49	–	49	49	–	49
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	8	–	5	8	–	4	8	–	5
Other Managers	–	–	–	–	–	–	–	–	–
Professionals	62	56	–	62	51	–	62	51	–
Finance	8	7	–	8	6	–	8	6	–
Spatial/town planning	8	8	–	8	7	–	8	7	–
Information Technology	1	–	–	1	–	–	1	–	–
Roads	–	–	–	–	–	–	–	–	–
Electricity	5	5	–	5	5	–	5	5	–
Water	2	2	–	2	2	–	2	2	–
Sanitation	4	4	–	4	4	–	4	4	–
Refuse	1	1	–	1	1	–	1	1	–
Other	33	29	–	33	26	–	33	26	–
Technicians	136	124	–	136	122	–	171	135	–
Finance	32	30	–	32	28	–	34	30	–
Spatial/town planning	31	28	–	31	28	–	31	28	–
Information Technology	2	2	–	2	2	–	3	2	–
Roads	3	3	–	3	3	–	5	3	–
Electricity	15	12	–	15	12	–	25	15	–
Water	10	8	–	10	8	–	10	8	–
Sanitation	8	8	–	8	8	–	8	8	–
Refuse	–	–	–	–	–	–	–	–	–
Other	35	33	–	35	33	–	55	41	–
Clerks (Clerical and administrative)	202	199	–	202	195	–	222	215	–
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	–	–	–	–	–	–	–	–	–
Plant and Machine Operators	249	234	–	250	234	–	260	251	–
Elementary Occupations	376	348	–	385	348	–	386	350	–
TOTAL PERSONNEL NUMBERS	1,072	961	44	1,092	950	53	1,158	1,002	54
% increase				1.9%	(1.1%)	20.5%	6.0%	5.5%	1.9%
Total municipal employees headcount	955	851	44	973	844	53	1,020	877	54
Finance personnel headcount	98	94	–	98	92	–	119	108	–
Human Resources personnel headcount	19	16	–	21	14	–	19	17	–

2.8.2 Monthly targets for revenue, expenditure and cash flow

Table 43 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Revenue By Source															
Property rates	152,401	(309)	(1,257)	(252)	(255)	(239)	(236)	(2,668)	(248)	1,740	(339)	(4,490)	143,847	151,464	160,495
Property rates - penalties & collection charges	115	66	203	173	152	139	101	118	120	111	101	122	1,521	1,612	1,709
Service charges - electricity revenue	35,227	16,554	46,292	32,168	32,297	33,985	28,686	32,261	33,018	33,255	29,284	55,844	408,871	444,905	479,481
Service charges - water revenue	16,751	2,120	17,497	10,808	10,692	12,205	12,044	12,306	7,729	8,839	8,474	(45,724)	73,742	76,358	80,637
Service charges - sanitation revenue	82,490	(1,383)	(406)	(490)	(416)	(674)	(616)	(521)	(711)	(583)	(606)	(17,855)	58,230	62,879	67,846
Service charges - refuse revenue	73,765	(1,516)	(1,276)	(1,031)	(981)	(1,158)	(1,158)	(967)	(1,202)	(1,022)	(948)	(23,576)	38,932	42,046	45,351
Service charges - other	342	0	0	1	1	2	1	1	1	2	1	1	352	374	397
Rental of facilities and equipment	716	249	108	116	122	101	108	92	105	104	102	99	2,023	2,137	2,258
Interest earned - external investments	-	2,339	0	1,242	1,283	-	2,476	1,229	1,249	1,438	1,429	(229)	12,455	13,202	13,994
Interest earned - outstanding debtors	315	406	364	302	306	326	330	278	328	325	341	439	4,061	4,285	4,522
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1,258	1,534	1,607	1,082	1,819	1,107	1,332	1,596	1,359	1,601	1,627	1,328	17,248	18,281	19,376
Licences and permits	152	255	277	78	259	134	245	192	209	148	266	98	2,315	2,454	2,601
Agency services	237	1,046	(81)	637	397	(208)	1,336	823	455	162	692	685	6,182	6,534	6,906
Transfers recognised - operational	9,304	9,182	9,896	9,182	9,182	9,827	11,248	9,182	9,423	9,182	9,344	51,889	156,843	167,789	156,175
Other revenue	1,946	1,055	2,051	1,474	1,506	1,441	1,513	1,586	616	509	325	409	14,431	6,797	7,182
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib	375,019	31,599	75,275	55,490	56,365	56,988	57,410	55,510	52,453	55,812	50,092	19,040	941,052	1,001,118	1,048,931
Expenditure By Type															
Employee related costs	20,353	22,611	22,382	23,659	22,624	22,744	23,654	24,221	22,798	22,933	22,791	9,815	260,586	276,434	292,414
Remuneration of councillors	1,349	1,286	1,322	1,323	1,360	1,351	1,508	1,508	1,066	995	570	1,833	15,472	16,245	17,057
Debt impairment	133	133	133	133	133	133	133	133	133	133	133	19,833	21,294	21,692	30,892
Depreciation & asset impairment	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,725	101,989	95,038	91,034
Finance charges	18	18	18	18	18	27,141	18	381	18	18	18	26,342	54,028	50,649	46,911
Bulk purchases	-	38,661	38,655	21,282	21,031	21,802	20,760	21,472	16,132	17,508	16,024	46,536	279,863	317,694	360,699
Other materials	6	9	11	16	17	13	11	8	11	49	11	32	194	197	203
Contracted services	4,832	7,062	8,202	7,404	8,708	6,847	9,648	12,116	8,350	6,900	7,544	12,760	100,374	108,287	84,902
Transfers and grants	-	71	148	131	186	249	266	205	140	85	72	458	2,011	2,076	2,147
Other expenditure	35,779	14,660	17,869	16,777	17,243	15,380	14,167	(11,963)	12,569	14,869	16,112	(15,981)	147,480	150,621	155,039
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	70,948	92,990	97,219	79,221	79,800	104,137	78,643	56,560	69,696	71,969	71,754	110,353	983,290	1,038,931	1,081,298
Surplus/(Deficit)	304,072	(61,391)	(21,944)	(23,732)	(23,435)	(47,149)	(21,234)	(1,050)	(17,243)	(16,157)	(21,662)	(91,313)	(42,238)	(37,813)	(32,367)
Transfers recognised - capital	4,128	4,128	4,128	4,128	4,128	4,128	4,128	4,128	4,128	4,128	4,128	49,914	95,321	67,850	70,973
Contributions recognised - capital	364	248	540	75	1,055	660	234	446	1,248	76	932	369	6,246	6,620	7,018
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	308,563	(57,015)	(17,276)	(19,529)	(18,252)	(42,362)	(16,871)	3,523	(11,867)	(11,954)	(16,602)	(41,030)	59,329	36,657	45,623

Table 44 – SA26: Budgeted monthly revenue and expenditure by municipal vote

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote															
Vote 1 - Office of the City Manager	10	10	11	12	30	12	7	12	10	10	10	142	278	329	381
Vote 2 - Corporate & Social Services	435	302	1,014	327	335	286	896	289	542	285	437	494	5,643	4,547	4,724
Vote 4 - Community Safety	2,190	3,033	1,925	1,958	2,649	1,163	2,958	2,801	2,192	2,069	2,778	2,329	28,045	29,329	30,955
Vote 5 - Planning & Housing	1,287	452	553	311	293	228	161	292	329	284	281	25,024	29,495	22,507	24,679
Vote 6 - Environmental Affairs	77,149	2,007	2,206	2,386	2,426	2,962	3,907	2,415	2,189	2,357	2,451	(34,328)	68,129	72,913	78,093
Vote 8 - Civil Engineering Services	112,345	13,493	30,391	23,125	23,889	24,738	24,328	24,948	20,334	21,113	21,428	(28,805)	311,326	315,316	310,931
Vote 9 - Electro-technical Services	36,532	17,495	47,911	33,515	33,827	35,694	30,367	33,782	34,052	33,613	29,780	65,037	431,605	453,486	489,255
Vote 10 - Treasury	187,805	3,301	81	2,134	2,179	769	3,224	(282)	2,266	4,431	2,058	(39,869)	168,098	177,161	187,904
Total Revenue by Vote	417,753	40,093	84,092	63,769	65,627	65,853	65,848	64,258	61,916	64,163	59,224	(9,977)	1,042,619	1,075,589	1,126,922
Expenditure by Vote to be appropriated															
Vote 1 - Office of the City Manager	3,776	4,460	4,190	4,929	5,081	5,580	5,421	6,230	4,722	4,599	4,096	(8,926)	44,159	46,034	47,680
Vote 2 - Corporate & Social Services	29,455	7,260	6,695	8,119	9,369	8,809	7,133	(19,986)	6,126	7,185	6,868	(25,181)	51,851	53,131	55,128
Vote 4 - Community Safety	3,547	4,378	4,544	4,635	4,357	5,960	4,485	4,570	4,438	4,495	4,292	577	50,276	51,925	53,844
Vote 5 - Planning & Housing	3,380	4,421	6,121	4,369	6,363	4,077	5,254	3,052	3,435	3,659	4,748	7,595	56,473	49,638	52,205
Vote 6 - Environmental Affairs	5,423	6,177	7,039	6,945	7,009	8,341	7,228	8,077	6,395	7,098	6,434	(2,210)	73,954	73,960	77,418
Vote 8 - Civil Engineering Services	23,362	25,292	25,912	24,208	24,213	41,887	24,291	31,304	34,009	23,481	28,706	(24,465)	282,200	302,441	282,586
Vote 9 - Electro-technical Services	5,128	44,835	44,270	28,097	29,910	35,683	27,869	27,940	23,636	23,891	22,821	57,771	371,851	409,726	456,471
Vote 10 - Treasury	37,785	4,024	5,601	4,908	3,855	5,021	4,796	2,916	4,088	4,947	4,057	(29,472)	52,526	52,076	55,966
Total Expenditure by Vote	111,857	100,846	104,371	86,209	90,157	115,359	86,475	64,103	86,850	79,355	82,021	(24,311)	983,290	1,038,931	1,081,298
Surplus/(Deficit)	305,896	(60,753)	(20,278)	(22,440)	(24,530)	(49,506)	(20,627)	155	(24,934)	(15,192)	(22,797)	14,335	59,329	36,657	45,623

Table 45 – SA27: Budgeted monthly revenue and expenditure by standard classification

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard															
<i>Governance and administration</i>	188,899	3,509	320	2,242	2,314	896	3,338	(176)	2,539	4,390	2,455	(39,762)	170,963	180,105	191,034
Executive and council	0	0	1	2	21	2	(2)	2	0	0	0	0	28	29	31
Budget and treasury office	187,719	3,165	(6)	2,047	2,102	693	3,141	(354)	2,124	4,200	2,099	(39,944)	166,986	176,006	186,705
Corporate services	1,179	344	325	193	191	201	199	176	415	190	356	182	3,950	4,070	4,298
<i>Community and public safety</i>	2,328	2,443	2,907	1,857	2,548	2,545	4,327	2,280	2,109	2,410	2,200	27,791	55,744	49,292	52,431
Community and social services	119	116	689	116	127	88	709	108	135	103	99	330	2,738	1,436	1,501
Sport and recreation	201	351	297	249	214	947	1,879	203	195	209	211	938	5,895	7,056	7,078
Public safety	1,785	1,718	1,712	1,277	1,980	1,312	1,534	1,774	1,514	1,745	1,808	1,531	19,691	20,474	21,569
Housing	134	183	135	134	124	123	130	120	191	278	7	24,916	26,476	19,282	21,235
Health	89	74	74	81	103	74	74	74	74	74	74	74	944	1,044	1,047
<i>Economic and environmental services</i>	3,653	4,503	3,648	3,879	3,989	2,953	4,467	4,264	3,852	3,483	4,228	31,841	74,760	79,475	59,649
Planning and development	359	250	500	258	234	180	107	243	281	220	211	315	3,158	3,489	3,730
Road transport	3,294	4,253	3,149	3,621	3,755	2,773	4,361	4,020	3,570	3,263	4,017	31,526	71,601	75,985	55,918
Environmental protection	0	0	–	0	0	–	–	1	0	0	0	0	1	1	1
<i>Trading services</i>	222,871	29,637	77,214	55,787	56,774	59,456	53,712	57,887	53,414	53,876	50,338	(29,831)	741,136	766,700	823,790
Electricity	36,532	17,495	47,911	33,515	33,827	35,694	30,367	33,782	34,052	33,613	29,780	65,037	431,605	453,486	489,255
Water	23,336	8,434	24,108	17,143	17,381	18,791	18,460	18,813	14,401	15,214	15,186	(53,965)	137,301	116,851	122,048
Waste water management	86,103	2,104	3,329	3,028	3,405	2,993	2,913	3,126	3,024	2,944	3,181	(5,582)	110,569	131,113	142,116
Waste management	76,900	1,604	1,867	2,101	2,161	1,978	1,972	2,166	1,936	2,105	2,191	(35,321)	61,661	65,249	70,371
<i>Other</i>	1	0	1	3	1	2	2	2	1	2	1	1	16	17	18
Total Revenue - Standard	417,752	40,092	84,091	63,767	65,626	65,851	65,846	64,256	61,914	64,161	59,222	(9,960)	1,042,619	1,075,589	1,126,922

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Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure - Standard															
<i>Governance and administration</i>	69,866	13,964	15,388	16,066	16,569	16,150	16,608	(11,313)	13,496	14,480	13,376	(64,852)	129,799	132,060	138,841
Executive and council	3,443	3,833	3,642	3,581	4,047	3,529	4,235	5,016	4,201	3,725	3,042	(10,619)	31,674	33,039	34,424
Budget and treasury office	37,745	4,112	5,463	5,442	4,367	6,218	5,216	3,413	3,701	4,225	4,164	(27,069)	56,996	56,746	60,629
Corporate services	28,679	6,019	6,284	7,043	8,156	6,403	7,157	(19,742)	5,594	6,530	6,169	(27,164)	41,130	42,275	43,789
<i>Community and public safety</i>	8,068	10,854	12,089	10,729	12,908	14,941	10,507	9,107	9,688	10,953	10,623	9,587	130,055	124,466	128,870
Community and social services	1,151	1,629	1,350	1,527	1,651	3,174	1,383	1,356	1,200	1,339	1,303	1,887	18,952	18,990	19,524
Sport and recreation	861	1,352	1,333	1,256	1,635	2,989	1,238	1,558	1,617	1,533	1,321	2,757	19,451	19,444	19,491
Public safety	3,053	3,837	4,012	4,094	3,821	5,383	3,923	4,004	3,909	3,947	3,756	37	43,775	45,050	46,593
Housing	2,592	3,300	4,970	3,013	5,138	2,817	3,558	1,794	2,574	3,534	3,708	4,342	41,340	34,322	36,408
Health	410	736	425	840	663	578	406	395	387	601	534	564	6,537	6,659	6,854
<i>Economic and environmental services</i>	10,444	10,517	12,163	11,659	11,686	19,106	9,718	17,111	17,541	10,409	12,088	17,124	159,566	174,791	149,172
Planning and development	801	834	860	995	1,020	1,065	765	863	823	809	926	6,910	16,670	17,437	18,265
Road transport	9,366	9,391	11,000	10,248	10,388	17,507	8,783	15,953	16,440	9,315	10,881	9,899	139,171	153,546	126,942
Environmental protection	277	293	303	416	278	534	171	294	278	285	281	315	3,725	3,807	3,965
<i>Trading services</i>	23,249	64,975	64,150	46,968	48,372	64,625	48,857	48,675	45,418	42,966	45,215	18,194	561,664	605,299	661,984
Electricity	4,865	44,518	43,873	27,764	29,589	35,338	27,560	27,037	23,312	23,581	22,543	57,916	367,896	405,595	452,218
Water	8,251	10,400	8,255	8,345	8,483	15,311	9,925	9,780	10,943	8,843	11,688	(20,088)	90,136	94,628	97,579
Waste water management	6,294	6,260	7,243	6,216	5,951	9,731	6,205	6,215	7,218	5,931	6,718	(14,006)	59,975	61,742	65,934
Waste management	3,840	3,798	4,779	4,642	4,349	4,246	5,167	5,643	3,945	4,610	4,266	(5,628)	43,657	43,333	46,253
<i>Other</i>	191	174	177	191	156	176	168	159	211	192	211	201	2,206	2,316	2,431
Total Expenditure - Standard	111,818	100,484	103,967	85,613	89,691	114,998	85,858	63,738	86,354	79,000	81,512	(19,745)	983,290	1,038,931	1,081,298
Surplus/(Deficit)	305,934	(60,393)	(19,876)	(21,845)	(24,066)	(49,147)	(20,012)	518	(24,440)	(14,839)	(22,290)	9,785	59,329	36,657	45,623

Table 46 – SA28: Budgeted monthly capital expenditure by municipal vote

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Multi-year expenditure to be appropriated															
Office of the City Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate & Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning & Housing	-	-	-	-	-	-	500	1,000	500	500	500	1,000	4,000	4,000	4,000
Environmental Affairs	-	-	-	50	50	-	150	850	500	500	1,500	500	4,100	2,980	2,280
Civil Engineering Services	-	2,000	3,400	4,654	5,200	5,200	9,118	14,200	14,034	13,488	10,008	3,585	84,887	88,820	106,606
Electro-technical Services	-	1,000	1,000	3,500	3,500	2,500	2,500	2,000	1,869	-	-	-	17,869	10,100	9,100
Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	3,000	4,400	8,204	8,750	7,700	12,268	18,050	16,903	14,488	12,008	5,085	110,855	105,900	121,986
Single-year expenditure to be appropriated															
Office of the City Manager	-	-	-	-	15	-	-	-	-	-	-	15	30	585	365
Corporate & Social Services	10	44	362	74	450	400	170	469	-	-	-	(1,058)	921	1,378	8,860
Community Safety	-	180	360	450	1,800	-	560	599	650	150	-	-	4,749	1,947	1,500
Planning & Housing	-	-	-	-	-	-	15	15	-	55	-	1,058	1,143	350	11,110
Environmental Affairs	-	8	-	-	-	-	-	1,400	2,700	2,000	500	600	7,208	6,950	7,378
Civil Engineering Services	-	1,050	2,780	3,750	1,850	1,450	1,500	2,327	750	1,000	1,822	200	18,480	18,833	11,418
Electro-technical Services	-	86	500	520	2,200	250	750	1,250	1,000	750	-	-	7,306	15,886	16,542
Treasury	-	100	130	-	-	-	-	-	-	-	-	-	230	80	80
Capital single-year expenditure sub-total	10	1,468	4,132	4,794	6,315	2,100	2,995	6,060	5,100	3,955	2,322	815	40,067	46,009	57,253
Total Capital Expenditure	10	4,468	8,532	12,998	15,065	9,800	15,263	24,110	22,003	18,443	14,330	5,900	150,922	151,908	179,239

Table 47 – SA29: Budgeted monthly capital expenditure by standard classification

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard															
<i>Governance and administration</i>	10	100	130	15	-	250	-	200	-	-	-	15	720	705	895
Executive and council	-	-	-	15	-	-	-	-	-	-	-	15	30	585	365
Budget and treasury office	-	100	130	-	-	-	-	-	-	-	-	-	230	80	80
Corporate services	10	-	-	-	-	250	-	200	-	-	-	-	460	40	450
<i>Community and public safety</i>	-	232	722	574	2,300	150	1,245	2,583	1,650	1,205	1,000	1,500	13,161	11,655	29,028
Community and social services	-	44	362	74	450	150	170	269	-	-	-	-	1,519	1,638	8,460
Sport and recreation	-	8	-	50	50	-	-	700	500	500	500	500	2,808	3,950	3,958
Public safety	-	180	360	450	1,800	-	560	599	650	150	-	-	4,749	1,947	1,500
Housing	-	-	-	-	-	-	515	1,015	500	555	500	1,000	4,085	4,120	15,110
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	-	2,400	4,514	1,800	1,800	1,850	6,177	6,100	4,450	3,398	2,000	34,489	37,350	29,648
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	100	-
Road transport	-	-	2,400	4,514	1,800	1,800	1,850	6,177	6,100	4,450	3,398	2,000	34,489	37,240	29,648
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-
<i>Trading services</i>	-	4,136	5,280	7,910	10,950	7,600	12,168	15,150	14,253	12,788	9,932	2,385	102,552	102,198	119,668
Electricity	-	1,086	1,500	4,020	5,700	2,750	3,250	3,250	2,869	750	-	-	25,175	25,986	25,642
Water	-	1,000	1,180	1,140	1,400	1,000	4,500	5,500	5,734	6,470	3,882	1,060	32,866	19,377	33,802
Waste water management	-	2,050	2,600	2,750	3,850	3,850	4,268	4,850	2,950	3,568	4,550	725	36,011	51,036	54,574
Waste management	-	-	-	-	-	-	150	1,550	2,700	2,000	1,500	600	8,500	5,800	5,650
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	10	4,468	8,532	13,013	15,050	9,800	15,263	24,110	22,003	18,443	14,330	5,900	150,922	151,908	179,239

Table 48 – SA30: Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	19,132	25,964	34,164	6,833	6,833	6,833	5,466	4,100	6,833	6,833	6,833	6,833	136,655	143,891	152,471
Property rates - penalties & collection charges	76	46	213	46	46	46	30	61	61	61	213	624	1,521	1,612	1,709
Service charges - electricity revenue	35,508	35,553	38,420	32,279	33,867	36,825	36,825	36,825	36,825	36,825	36,825	36,825	433,404	471,600	508,250
Service charges - water revenue	5,470	5,470	6,382	6,382	6,382	6,382	9,117	8,206	6,382	5,470	5,227	7,294	78,166	80,940	85,475
Service charges - sanitation revenue	1,049	2,852	8,556	4,991	4,991	4,991	4,991	4,991	4,991	4,991	5,775	8,556	61,723	66,674	71,941
Service charges - refuse revenue	3,228	3,228	4,843	3,228	3,228	3,228	3,228	3,767	2,690	3,767	2,690	4,141	41,268	44,569	48,072
Service charges - other	31	31	31	31	31	31	31	31	31	31	31	31	373	374	397
Rental of facilities and equipment	169	169	169	169	169	169	169	169	169	169	169	169	2,023	2,137	2,258
Interest earned - external investments	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	12,455	13,202	13,994
Interest earned - outstanding debtors	359	359	359	359	359	359	359	359	359	359	359	359	4,305	4,542	4,794
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	517	1,035	2,587	1,380	2,587	1,035	1,380	1,207	1,380	1,380	1,380	1,380	17,248	18,281	19,376
Licences and permits	185	185	208	185	208	185	185	208	185	208	185	185	2,315	2,454	2,601
Agency services	495	556	495	495	495	556	495	495	556	495	495	556	6,182	6,534	6,906
Transfer receipts - operational	23,115	9,246	4,623	3,082	6,164	18,492	3,082	3,082	21,574	18,492	18,492	5,879	135,322	153,469	128,022
Other revenue	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	(5,917)	14,431	6,797	7,182
Cash Receipts by Source	92,222	87,582	103,936	62,346	68,247	82,019	68,246	66,387	84,923	81,967	81,561	67,952	947,391	1,017,076	1,053,448
Other Cash Flows by Source															
Transfer receipts - capital	7,610	7,230	3,044	2,283	6,849	9,132	6,088	9,132	11,415	3,044	5,708	9,907	81,444	72,961	87,147
Contributions recognised - capital & Contributed assets	520	520	520	520	520	520	520	520	520	520	520	520	6,246	6,620	7,018
Proceeds on disposal of PPE	157	-	-	5,423	79	236	157	236	236	79	236	1,022	7,859	15,000	10,000
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	10,650	-	-	-	-	-	-	10,650	2,000	2,000
Increase (decrease) in consumer deposits	(71)	(218)	279	(307)	166	371	595	(26)	202	178	129	684	1,982	585	1,807
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(500)	(6,385)	(13,850)	7,100	(33,650)	(3,485)	5,500	(14,350)	13,210	4,750	4,010	42,650	5,000	5,000	5,000
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	99,938	88,729	93,930	77,365	42,212	99,444	81,107	61,900	110,507	90,539	92,164	122,735	1,060,571	1,119,242	1,166,419

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Payments by Type															
Employee related costs	20,045	20,045	20,045	20,045	40,090	20,045	20,045	20,045	20,045	20,045	20,045	20,045	260,586	276,434	292,414
Remuneration of councillors	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	15,472	16,245	17,057
Finance charges	42	42	42	42	42	42	42	42	42	42	42	53,570	54,028	50,649	46,911
Bulk purchases - Electricity	–	–	194	–	–	28,888	–	–	–	168	–	250,613	279,863	317,694	360,699
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	3	4	52	6	6	7	21	6	6	14	29	39	194	197	203
Contracted services	4,467	3,624	4,326	10,339	11,443	11,342	6,053	10,339	13,350	8,365	8,365	8,365	100,374	108,287	84,902
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	131	131	141	161	161	332	151	141	141	161	181	181	2,011	2,076	2,147
Other expenditure	6,491	8,654	9,375	12,260	12,260	13,703	11,539	10,818	14,424	10,097	12,981	24,878	147,480	150,621	155,039
Cash Payments by Type	32,467	33,789	35,465	44,142	65,291	75,648	39,140	42,680	49,297	40,180	42,932	358,979	860,007	922,202	959,372
Other Cash Flows/Payments by Type															
Capital assets	9,055	9,055	18,111	9,055	9,055	12,074	9,055	12,074	18,111	9,055	18,111	18,111	150,922	151,908	179,239
Repayment of borrowing	–	–	–	–	–	14,958	–	–	–	2,642	–	14,958	32,557	35,932	39,665
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	41,522	42,844	53,576	53,197	74,346	102,679	48,195	54,753	67,407	51,877	61,043	392,047	1,043,487	1,110,042	1,178,276
NET INCREASE/(DECREASE) IN CASH HELD	58,416	45,885	40,355	24,168	(32,134)	(3,235)	32,912	7,147	43,100	38,662	31,122	(269,312)	17,085	9,200	(11,857)
Cash/cash equivalents at the month/year begin:	265,316	323,732	369,618	409,972	434,141	402,006	398,771	431,683	438,829	481,929	520,591	551,713	265,316	282,401	291,601
Cash/cash equivalents at the month/year end:	323,732	369,618	409,972	434,141	402,006	398,771	431,683	438,829	481,929	520,591	551,713	282,401	282,401	291,601	279,744

2.8.3 Capital expenditure details

The following three tables provide details of the Municipality's capital expenditure programme.

Table 49 – SA34a: Capital Expenditure on new assets by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	250,749	188,387	120,452	117,298	88,484	88,484	94,902	78,467	88,132
Infrastructure - Road transport	114,599	45,176	21,622	3,420	3,420	3,420	21,394	9,762	1,620
Roads, Pavements & Bridges	98,920	23,419	13,975	2,420	2,420	2,420	20,517	8,410	70
Storm water	15,679	21,757	7,647	1,000	1,000	1,000	877	1,352	1,550
Infrastructure - Electricity	42,788	54,089	50,704	57,649	36,636	36,636	18,829	20,416	20,054
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	40,334	52,052	45,725	57,199	36,284	36,284	17,569	20,416	20,054
Street Lighting	2,453	2,037	4,979	450	352	352	1,260	-	-
Infrastructure - Water	54,686	83,752	35,070	21,316	15,147	15,147	15,264	7,754	22,184
Dams & Reservoirs	986	497	5,620	150	150	150	250	2,000	11,250
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	53,700	83,254	29,450	21,166	14,997	14,997	15,014	5,754	10,934
Infrastructure - Sanitation	37,556	5,239	13,056	28,013	22,282	22,282	28,961	40,536	44,274
Reticulation	62,711	7,597	6,149	19,781	15,932	15,932	11,236	40,536	44,274
Sewerage purification	(25,155)	(2,359)	6,907	8,232	6,350	6,350	17,725	-	-
Infrastructure - Other	1,119	131	(0)	6,900	11,000	11,000	10,454	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	1,119	131	-	6,900	11,000	11,000	10,454	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	(0)	0	(0)	-	-	-	-	-	-
Community	20,280	15,934	9,156	23,210	16,893	16,893	15,990	10,632	27,660
Parks & gardens	(0)	-	-	-	-	-	100	100	100
Sportsfields & stadia	3,483	9,700	481	900	4,373	4,373	-	3,120	3,630
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	655	506	1,328	1,890	1,077	1,077	-	-	-
Libraries	-	-	65	-	-	-	200	600	8,000
Recreational facilities	708	-	527	17,500	9,740	9,740	12,560	6,182	6,500
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	2,500	2,224	1,967	890	660	660	280	530	570
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	(0)	-	-	-	-	-	-	-	-
Social rental housing	5,397	-	-	-	-	-	-	-	-
Other	7,536	3,505	4,788	2,030	1,043	1,043	2,850	100	8,860
Other assets	577,048	8,394	5,462	5,434	5,993	5,993	18,975	15,376	16,479
General vehicles	7,157	48	1,310	1,500	-	-	3,800	1,690	1,000
Specialised vehicles	1,526	-	-	-	-	-	5,600	-	-
Plant & equipment	7,477	6,761	2,217	3,000	5,235	5,235	6,868	9,126	8,701
Computers - hardware/equipment	913	484	206	360	276	276	879	580	790
Furniture and other office equipment	2,012	21	1,554	489	483	483	628	1,351	1,188
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	52	-	-	-	-	-	-	-	-
Civic Land and Buildings	465	174	-	-	-	-	-	30	2,500
Other Buildings	377	906	-	85	-	-	-	-	-
Other Land	556,130	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	938	-	176	-	-	-	1,200	2,600	2,300
Intangibles	90	-	-	10	-	-	10	1,510	1,510
Computers - software & programming	106	-	-	10	-	-	10	1,510	1,510
Town planning	(15)	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	848,167	212,714	135,070	145,952	111,370	111,370	129,877	105,985	133,781
Specialised vehicles	1,526	-	-	-	-	-	5,600	-	-
Refuse	928	-	-	-	-	-	5,600	-	-
Fire	597	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

Table 50 – SA34b: Capital Expenditure on the renewal of assets by asset class

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	(11,722)	26,242	1,539	14,250	20,849	20,849	12,500	38,648	39,148
Infrastructure - Road transport	(9,174)	(2,681)	-	5,000	9,209	9,209	-	27,648	28,148
Roads, Pavements & Bridges	(9,174)	(2,681)	-	5,000	9,209	9,209	-	24,648	28,148
Storm water	-	-	-	-	-	-	-	3,000	-
Infrastructure - Electricity	(2,145)	242	208	1,250	2,400	2,400	6,000	3,500	3,500
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	(2,145)	242	179	1,250	2,400	2,400	6,000	3,500	3,500
Street Lighting	-	-	29	-	-	-	-	-	-
Infrastructure - Water	(402)	28,681	1,331	4,000	2,000	2,000	4,500	4,500	4,500
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	(402)	28,681	1,331	4,000	2,000	2,000	4,500	4,500	4,500
Infrastructure - Sanitation	-	(0)	-	4,000	7,240	7,240	2,000	3,000	3,000
Reticulation	-	(0)	-	4,000	4,000	4,000	2,000	3,000	3,000
Sewerage purification	-	(0)	-	-	3,240	3,240	-	-	-
Infrastructure - Other	0	0	(0)	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	0	0	(0)	-	-	-	-	-	-
Community	499	3,871	17	2,700	1,106	1,106	7,025	5,075	4,310
Parks & gardens	-	-	-	-	-	-	-	100	10
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	175	300	-
Libraries	-	-	-	-	-	-	150	-	-
Recreational facilities	-	-	-	-	147	147	-	20	20
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	4,000	4,000	4,000
Other	499	3,871	17	2,700	959	959	2,700	655	280
Other assets	-	239	9	10	-	-	1,520	2,200	2,000
General vehicles	-	-	-	-	-	-	1,000	2,100	2,000
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	239	-	-	-	-	20	-	-
Computers - hardware/equipment	-	-	9	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	-	10	-	-	500	100	-
Total Capital Expenditure on renewal of existing assets	(11,222)	30,352	1,565	16,960	21,955	21,955	21,045	45,923	45,458
Renewal of Existing Assets as % of total capex	-1.3%	12.5%	1.1%	10.4%	16.5%	16.5%	13.9%	30.2%	25.4%
Renewal of Existing Assets as % of deprechn	-18.6%	38.1%	1.7%	18.3%	21.2%	21.2%	20.6%	48.3%	49.9%

Table 51 – SA34c: Repairs and maintenance expenditure by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	41,876	39,010	39,145	46,389	38,058	38,058	43,890	46,277	48,705
Infrastructure - Road transport	17,168	18,864	19,301	19,340	15,152	15,152	19,301	20,034	20,841
Roads, Pavements & Bridges	17,168	18,864	14,134	13,740	9,595	9,595	13,463	13,904	14,404
Storm water	–	–	5,167	5,600	5,557	5,557	5,838	6,130	6,436
Infrastructure - Electricity	11,414	7,182	6,688	10,096	6,836	6,836	8,070	8,543	8,943
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	9,845	6,258	5,440	8,676	5,416	5,416	6,579	6,977	7,300
Street Lighting	1,569	923	1,248	1,420	1,420	1,420	1,491	1,566	1,644
Infrastructure - Water	6,799	6,307	3,506	7,718	6,739	6,739	6,849	7,193	7,555
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	271	216	187	258	322	322	360	380	401
Reticulation	6,528	6,091	3,319	7,460	6,417	6,417	6,489	6,813	7,154
Infrastructure - Sanitation	6,475	6,657	9,648	9,225	9,325	9,325	9,660	10,497	11,355
Reticulation	5,640	6,105	8,972	8,700	8,700	8,700	9,000	9,800	10,620
Sewerage purification	835	552	677	525	625	625	660	697	735
Infrastructure - Other	20	–	1	10	6	6	11	11	12
Waste Management	20	–	1	10	6	6	11	11	12
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Community	1,685	2,011	3,488	2,392	2,832	2,832	3,277	3,389	3,451
Parks & gardens	335	458	328	370	205	205	375	400	427
Sportsfields & stadia	685	335	540	681	642	642	805	815	826
Swimming pools	234	257	257	290	290	290	340	342	344
Community halls	–	–	–	3	3	3	3	3	3
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	29	35	0	27	66	66	51	54	57
Fire, safety & emergency	1	–	–	1	1	1	1	1	1
Security and policing	211	189	189	247	197	197	255	255	255
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	7	–	37	23	327	327	343	361	379
Social rental housing	118	495	1,609	400	400	400	420	441	463
Other	67	241	529	350	701	701	684	718	696
Other assets	8,865	10,026	11,340	13,958	13,589	13,589	15,444	16,035	16,694
General vehicles	3,110	3,716	2,330	2,767	3,218	3,218	3,091	3,225	3,366
Specialised vehicles	–	–	1,153	1,450	1,520	1,520	1,586	1,665	1,748
Plant & equipment	5,441	5,703	7,190	7,387	6,457	6,457	7,571	7,939	8,347
Computers - hardware/equipment	93	55	111	210	125	125	125	125	125
Furniture and other office equipment	162	274	258	1,865	1,989	1,989	2,681	2,690	2,715
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	–	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	58	279	298	280	280	280	390	391	392
Intangibles	1,574	1,399	1,391	2,373	2,213	2,213	2,007	2,074	2,144
Computers - software & programming	1,574	1,399	1,391	2,373	2,213	2,213	2,007	2,074	2,144
Other (list sub-class)	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994
Specialised vehicles	–	–	1,153	1,450	1,520	1,520	1,586	1,665	1,748
Refuse	–	–	854	1,200	1,165	1,165	1,260	1,323	1,389
Fire	–	–	299	250	355	355	326	342	359
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
R&M as a % of PPE	3.1%	2.8%	3.0%	3.1%	3.0%	3.0%	3.4%	3.4%	3.4%
R&M as % Operating Expenditure	8.2%	7.3%	6.5%	6.7%	5.7%	5.7%	6.6%	6.5%	6.6%

Table 52 – SA34d: Depreciation by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	44,583	66,843	82,442	79,802	91,014	91,014	89,971	84,920	82,355
Infrastructure - Road transport	17,745	33,460	38,484	37,617	40,380	40,380	40,113	38,579	37,416
<i>Roads, Pavements & Bridges</i>	17,745	33,460	38,484	37,617	40,380	40,380	40,113	38,579	37,416
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	8,585	9,953	12,687	11,288	13,494	13,494	13,314	12,345	11,938
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	8,585	9,953	12,687	11,288	13,494	13,494	13,314	12,345	11,938
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	10,008	12,737	17,616	18,411	22,939	22,939	22,570	21,876	21,451
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	4,637	4,758	8,755	8,002	12,015	12,015	11,897	11,606	11,434
<i>Reticulation</i>	5,371	7,978	8,861	10,410	10,925	10,925	10,674	10,270	10,017
Infrastructure - Sanitation	7,436	9,544	12,070	11,349	12,562	12,562	12,438	10,977	10,815
<i>Reticulation</i>	4,914	7,809	10,388	9,978	10,860	10,860	10,752	10,310	10,157
<i>Sewerage purification</i>	2,522	1,735	1,681	1,371	1,702	1,702	1,686	668	658
Infrastructure - Other	809	1,150	1,586	1,137	1,639	1,639	1,536	1,143	735
<i>Waste Management</i>	809	1,150	1,586	1,137	1,639	1,639	1,536	1,143	735
<i>Transportation</i>	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Community	5,233	6,812	7,713	7,036	8,431	8,431	7,847	6,633	5,742
Parks & gardens	202	207	239	185	239	239	234	193	180
Sportsfields & stadia	1,402	1,673	2,414	2,326	2,545	2,545	2,522	2,454	2,268
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	40	389	359	320	366	366	352	271	257
Libraries	153	215	208	399	446	446	437	381	340
Recreational facilities	55	55	55	55	56	56	55	55	54
Fire, safety & emergency	529	565	704	601	719	719	692	591	559
Security and policing	905	1,303	1,344	1,177	1,355	1,355	985	636	372
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	125	101	117	31	117	117	105	12	10
Social rental housing	1,610	2,052	1,927	1,710	2,241	2,241	2,175	1,838	1,527
Other	211	252	346	232	347	347	290	201	176
Investment properties	3,655	2,559	2,467	2,437	2,637	2,637	2,601	2,253	2,028
Housing development	3,655	2,559	2,467	2,437	2,637	2,637	2,601	2,253	2,028
Other	-	-	-	-	-	-	-	-	-
Other assets	6,708	2,987	1,437	3,177	1,614	1,614	1,569	1,233	909
General vehicles	2,676	1,975	138	2,241	139	139	138	134	95
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	452	483	581	467	583	583	581	455	445
Computers - hardware/equipment	3,405	114	268	97	176	176	176	160	159
Furniture and other office equipment	170	414	432	371	698	698	671	480	206
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	6	1	18	-	18	18	4	4	4
Intangibles	275	362	442	-	-	-	-	-	-
Computers - software & programming	275	362	442	-	-	-	-	-	-
Other (<i>list sub-class</i>)	-	-	-	-	-	-	-	-	-
Total Depreciation	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034

2.8.4 Detailed capital budget per municipal vote

Table 53 – SA36: Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand				6	3	3								
Office of the City Manager														
Office of the City Manager	Furniture & Fittings		O	Yes	Other Assets	Furniture and other office equipment	1,087	77	30	30	585	365	All	New
Office of the City Manager	Computer Equipment		O	Yes	Other Assets	Furniture and other office equipment	99	50	49	-	-	-	All	New
Corporate & Social Services														
Corporate & Social Services - Libraries	Disabled Toilets		P	Yes	Community	Libraries	9,015	65	-	350	600	8,000	17, 1	New
Corporate & Social Services - Libraries	Literacy programme		P	Yes	Intangibles	Computers - software & programming	17	17	-	-	-	-	All	New
Corporate & Social Services - Libraries	ICT System		P	Yes	Other Assets	Furniture and other office equipment	47	11	-	36	-	-	All	New
Corporate & Social Services - Libraries	Paving of Libraries		P	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	119	-	-	119	-	-	All	New
Corporate & Social Services - Administration	Leave Module		O	Yes	Intangibles	Computers - software & programming	120	-	120	-	-	-	All	New
Corporate & Social Services - Administration	Furniture & Fittings		O	Yes	Other Assets	Furniture and other office equipment	784	154	10	300	230	90	All	New
Corporate & Social Services - Administration	Clocking System		O	Yes	Intangibles	Computers - software & programming	500	-	-	200	250	50	All	New
Corporate & Social Services - Administration	Office Space (Councillors)		O	Yes	Community	Other	350	-	-	350	-	-	All	New
Corporate & Social Services - LED	Resource Centre		M	Yes	Other Assets	Furniture and other office equipment	100	-	-	-	100	-	All	New
Corporate & Social Services - IT Services	Computer Hardware		O	Yes	Other Assets	Furniture and other office equipment	905	155	-	260	40	450	All	New
Corporate & Social Services - Community Halls	Upgr Council Chambers		J	Yes	Other Assets	Furniture and other office equipment	118	118	-	-	-	-		New
Corporate & Social Services - Community Halls	Conville Hall		J	Yes	Community	Security and policing	23	23	-	-	-	-	17	New
Corporate & Social Services - Community Halls	Rosemore Hall		J	Yes	Other Assets	Plant & equipment	8	8	-	-	-	-	6	New
Corporate & Social Services - Community Halls	Lawaakamp Hall		J	Yes	Other Assets	Plant & equipment	8	8	-	-	-	-	7	New
Corporate & Social Services - Community Halls	Parkdene Hall		J	Yes	Community	Community halls	1,418	1,418	-	-	-	-	8	New
Corporate & Social Services - Community Halls	Touwsrante Hall		J	Yes	Other Assets	Other	80	-	-	-	80	-	4	New
Corporate & Social Services - Community Halls	Civic Centre - Air Conditioner		J	Yes	Community	Community halls	200	-	-	200	-	-	19	Renewal
Corporate & Social Services - Community Halls	Civic Centre - Repair roof		J	Yes	Other Assets	Furniture and other office equipment	250	-	-	-	250	-	19	Renewal
Corporate & Social Services - Community Halls	Equipment		J	Yes	Other Assets	Plant & equipment	17	1	-	8	8	-	All	New
Corporate & Social Services - Community Halls	Furniture & Fittings		J	Yes	Other Assets	Furniture and other office equipment	46	-	-	36	-	10	All	New
Corporate & Social Services - Community Halls	Blanco Community Hall		J	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	70	-	-	-	-	70	1	New
Corporate & Social Services - Community Halls	Thembaletu Community Hall		J	Yes	Other Assets	Plant & equipment	2,399	472	1,777	-	-	150	11	New
Corporate & Social Services - Community Halls	Pacaltsdorp Community Hall		J	Yes	Community	Community halls	210	-	-	120	50	40	14	New/Renewal

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand				6	3	3								
Community Safety														
Community Safety - Fire Services	Trailers - Fire fighting rural areas		H	Yes	Other Assets	Plant & equipment	41	41	-	-	-	-	22	New
Community Safety - Fire Services	Paving - Thembalethu Fire station		H	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	100	100	-	-	-	-	9, 10,21,11,13,12,15	New
Community Safety - Fire Services	Disaster Management Equipment		H	Yes	Other Assets	Plant & equipment	350	-	-	300	50	-	All	New
Community Safety - Fire Services	Life Savers Tower - Gwaing		H	Yes	Other Assets	Plant & equipment	120	-	-	120	-	-	23	New
Community Safety - Fire Services	Skid Units		H	Yes	Other Assets	Plant & equipment	60	-	-	60	-	-	16	New
Community Safety - Fire Services	Fire Detection Services		H	Yes	Other Assets	Plant & equipment	50	-	-	-	50	-	All	New
Community Safety - Fire Services	Furniture & Office equipment		H	Yes	Other Assets	Furniture and other office equipment	39	-	-	39	-	-	All	New
Community Safety - Traffic Services	Furniture & Office equipment		H	Yes	Other Assets	Furniture and other office equipment	62	52	10	-	-	-	All	New
Community Safety - Traffic Services	CCTV Cameras		H	Yes	Other Assets	Plant & equipment	8,952	-	4,000	1,900	1,552	1,500	All	New
Community Safety - Traffic Services	Replacement of Vehicles		H	Yes	Other Assets	General vehicles	1,900	-	-	1,800	100	-	All	New
Community Safety - Traffic Services	Furniture & Office equipment		H	Yes	Other Assets	Furniture and other office equipment	190	-	-	80	110	-	All	New
Community Safety - Traffic Services	Fire Arms		H	Yes	Other Assets	Plant & equipment	200	-	-	200	-	-	All	New
Community Safety - Traffic Services	Radio's & Metal Detectors		H	Yes	Other Assets	Plant & equipment	185	-	-	100	85	-	All	New
Community Safety - Traffic Services	Security Counter		H	Yes	Other Assets	Furniture and other office equipment	150	-	-	150	-	-	All	New
Planning & Housing														
Planning & Housing	Upgrading of Informal-formal Housing		F	Yes	Community	Housing Schemes	15,069	3,069	-	4,000	4,000	4,000	1,4-13,15-18,20-25	New/Renewal
Planning & Housing	Furniture & Office equipment		F	Yes	Other Assets	Furniture and other office equipment	333	63	10	30	120	110	All	New
Planning & Housing	Fence at Touwsrante housing project		F	Yes	Community	Security and policing	542	542	-	-	-	-	4	New
Planning & Housing	Transit Camps		F	Yes	Other Assets	Vacantland	168	168	-	-	-	-	23	New
Planning & Housing	Parkdene Creche		F	Yes	Community	Other	1,689	516	1,173	-	-	-	8	New
Planning & Housing	Kleinkrantz Creche		F	Yes	Community	Other	325	325	-	-	-	-	4	New
Planning & Housing	Services-Erf 1263 Blanco		F	Yes	Community	Social rental housing	32	32	-	-	-	-	1	New
Planning & Housing	All Brick Hall		F	Yes	Community	Community halls	55	-	-	55	-	-	12	Renewal
Planning & Housing	Purchase of land		F	Yes	Other Assets	Other Land	2,500	-	-	-	-	2,500	All	New
Planning & Housing	Purchase of property		F	Yes	Community	Social rental housing	6,000	-	-	-	-	6,000	All	New
Planning & Housing	Old Age Home		F	Yes	Community	Other	2,500	-	-	-	-	2,500	All	New

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								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand			2	6	3	3								
Environmental Affairs														
Environmental Affairs - Administration	Furniture & Office equipment		O	Yes	Other Assets	Furniture and other office equipment	66	46	10	–	10	–	All	New
Environmental Affairs - Refuse Removal	240l Wheely Bins		K	Yes	Other Assets	Plant & equipment	1,492	492	–	–	500	500	4	New
Environmental Affairs - Refuse Removal	Waste Collection - Rural areas		K	Yes	Other Assets	Plant & equipment	400	–	–	200	100	100	1, 4, 11, 14, 21, 22, 23	New
Environmental Affairs - Refuse Removal	Bulk refuse containers		K	Yes	Other Assets	Plant & equipment	650	–	–	200	200	250	19	New
Environmental Affairs - Refuse Removal	Refuse Truck		K	Yes	Other Assets	Specialised vehicles - Refuse	5,600	–	–	5,600	–	–	All	New
Environmental Affairs - Refuse Removal	Containers		K	Yes	Other Assets	Plant & equipment	400	–	–	200	–	200	All	New
Environmental Affairs - Refuse Removal	Replace Refuse Truck		K	Yes	Other Assets	Specialised vehicles - Refuse	5,000	–	–	1,000	2,000	2,000	All	Renewal
Environmental Affairs - Refuse Removal	Public toilets		K	Yes	Community	Other	800	–	–	–	300	500	19	New/Renewal
Environmental Affairs - Refuse Removal	New Landfill Site- Uniondale		K	Yes	Other Assets	Other	4,000	–	–	1,000	2,000	1,000	25	New
Environmental Affairs - Refuse Removal	Rehabilitation of Refuse Site		K	Yes	Other Assets	Other	400	–	–	300	100	–	All	New
Environmental Affairs - Refuse Removal	Compost Plant		K	Yes	Other Assets	Other	200	–	–	–	100	100	All	New
Environmental Affairs - Refuse Removal	Extension of transfer station		K	Yes	Other Assets	Other	1,500	–	–	–	500	1,000	All	New
Environmental Affairs - Cemeteries	Upgr York Street Cemetry		J	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	220	–	–	–	170	50	23	New
Environmental Affairs - Sport & Recreation	Convillie Swimming Pool		L	Yes	Other Assets	Plant & equipment	698	511	147	–	20	20	17	Renewal
Environmental Affairs - Sport & Recreation	Upgr Thembaletu Sport Infrastructure		L	Yes	Community	Sportsfields & stadia	248	208	20	–	–	20	13	Renewal
Environmental Affairs - Sport & Recreation	Lawaakamp Soccer Stadium		L	Yes	Community	Sportsfields & stadia	353	273	20	–	50	10	7	New
Environmental Affairs - Sport & Recreation	Upgr Rosemore Sport Infrastructure		L	Yes	Community	Sportsfields & stadia	3,577	27	700	2,700	100	50	17	Renewal
Environmental Affairs - Sport & Recreation	Electrical Equipment		L	Yes	Other Assets	Plant & equipment	48	–	–	8	30	10	All	New
Environmental Affairs - Sport & Recreation	Upgr Maraiskamp/Parkdene Sport Infrastructure		L	Yes	Community	Sportsfields & stadia	890	–	860	–	20	10	8	Renewal
Environmental Affairs - Sport & Recreation	Thembaletu Sporting Facilities (new)		L	Yes	Community	Sportsfields & stadia	1,300	–	1,200	–	50	50	13	New
Environmental Affairs - Sport & Recreation	Pacaltsdorp Sporting Facilities (new)		L	Yes	Community	Sportsfields & stadia	1,850	–	1,800	–	–	50	14	New
Environmental Affairs - Sport & Recreation	Regional Sport Complex		L	Yes	Community	Sportsfields & stadia	973	–	473	–	–	500	14	New
Environmental Affairs - Sport & Recreation	Upgr Pacaltsdorp Sporting Facilities		L	Yes	Community	Sportsfields & stadia	250	–	25	–	175	50	14	Renewal
Environmental Affairs - Sport & Recreation	Upgr Blanco Sporting Facilities		L	Yes	Community	Sportsfields & stadia	210	–	200	–	–	10	1	Renewal
Environmental Affairs - Sport & Recreation	Upgr of Cricket Nets		L	Yes	Community	Sportsfields & stadia	34	–	34	–	–	–	All	Renewal
Environmental Affairs - Sport & Recreation	New Dawn Park Sport Facilities		L	Yes	Community	Security and policing	60	–	–	–	30	30	16	Renewal
Environmental Affairs - Sport & Recreation	Touwsrante Sport Facilities		L	Yes	Community	Sportsfields & stadia	80	–	–	–	80	–	4	Renewal
Environmental Affairs - Sport & Recreation	Upgr Outeniqua Bowling Club		L	Yes	Community	Recreational facilities	20	–	–	–	–	20	19	Renewal
Environmental Affairs - Sport & Recreation	Baseball Facility - Pacaltsdorp		L	Yes	Community	Sportsfields & stadia	100	–	–	–	100	–	14	New
Environmental Affairs - Sport & Recreation	Building Sport Infrastructure		L	Yes	Community	Sportsfields & stadia	6,000	–	–	–	3,000	3,000	All	New
Environmental Affairs - Parks & Gardens	Upgr Victoria Pedestrian Path		J	Yes	Community	Parks & gardens	110	–	–	–	100	10	4	Renewal
Environmental Affairs - Parks & Gardens	Thembaletu Park		J	Yes	Community	Parks & gardens	300	–	–	100	100	100	9	New
Environmental Affairs - Parks & Gardens	Cemeteries - Rural Area		J	Yes	Other Assets	Other Land	30	–	–	–	30	–	22	New
Environmental Affairs - Parks & Gardens	Equipment		J	Yes	Other Assets	Plant & equipment	43	–	–	–	25	18	All	New
Environmental Affairs - Parks & Gardens	Tractor		J	Yes	Other Assets	General vehicles	40	–	–	–	40	–	All	New

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								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand				6	3	3								
Civil Engineering Services														
Civil Engineering Services - Administration	Health & Safety Equipment		B	Yes	Other Assets	Plant & equipment	370	120	–	50	100	100	All	New
Civil Engineering Services - Administration	Furniture & Office equipment		B	Yes	Other Assets	Furniture and other office equipment	1,174	85	10	170	266	643	All	New
Civil Engineering Services - Administration	Radio Mast & Base Station		B	Yes	Other Assets	Plant & equipment	100	–	–	100	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Streetlights		C	Yes	Infrastructure	Street Lighting	2,112	500	352	1,260	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Vehicles		C	Yes	Other Assets	General vehicles	2,560	1,060	–	1,500	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Rollers		C	Yes	Other Assets	Plant & equipment	200	200	–	–	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Trailers		C	Yes	Other Assets	Plant & equipment	135	135	–	–	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Mobility Strategy		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	4,359	4,359	–	–	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Access for Disabled Persons		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	262	212	–	–	50	–	All	New
Civil Engineering Services - Streets & Stormwater	Upgr of Stormwater Network: George South		C	Yes	Infrastructure - Road Transport	Storm water	209	209	–	–	–	–	19	Renewal
Civil Engineering Services - Streets & Stormwater	Public Works Programme		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	2,123	2,123	–	–	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Robots & Intersections		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	2,097	1,097	–	–	1,000	–	All	New
Civil Engineering Services - Streets & Stormwater	Street Resealing		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	24,415	4,415	5,000	5,000	5,000	5,000	All	Renewal
													9,10,11,12,	
Civil Engineering Services - Streets & Stormwater	Concrete Canals and Drains		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	4,559	–	1,000	877	1,182	1,500	13,14,15,16, 17,20	New/Renewal
Civil Engineering Services - Streets & Stormwater	Upgr of Bus Routes		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	3,607	–	1,054	1,054	1,500	–	All	New
Civil Engineering Services - Streets & Stormwater	Thembalethu UISP - Streets & Stormwater		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	42,600	–	3,156	13,148	13,148	13,148	13	New
Civil Engineering Services - Streets & Stormwater	Bus Stops		C	Yes	Infrastructure - Other	Transportation	7,500	–	3,750	3,750	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Remote Bus Depot		C	Yes	Infrastructure - Other	Transportation	1,500	–	750	750	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Upgr of Roads & Stormwater Network		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	14,000	–	2,000	2,000	5,000	5,000	1, 2, 3, 4	Renewal
Civil Engineering Services - Streets & Stormwater	Inter-Urban Bus Terminus		C	Yes	Infrastructure - Other	Transportation	11,400	–	6,500	4,900	–	–	All	New
Civil Engineering Services - Streets & Stormwater	Courtney Street Medians		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	600	–	–	–	600	–	19	New
Civil Engineering Services - Streets & Stormwater	Street Rebuilding		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	10,000	–	–	–	5,000	5,000	All	Renewal
Civil Engineering Services - Streets & Stormwater	Speed Calming Methods		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	500	–	–	250	250	–	All	New
Civil Engineering Services - Streets & Stormwater	Upgr of Stormwater Network: George South		C	Yes	Infrastructure - Road Transport	Storm water	3,000	–	–	–	3,000	–	19	Renewal
													9, 10, 21, 11, 13, 12,	
Civil Engineering Services - Streets & Stormwater	Thembalethu/Asazani Public Transport		C	Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges	1,560	–	–	–	1,560	–	15	New
Civil Engineering Services - Water Networks	Water Meters		B	Yes	Infrastructure - Water	Reticulation	1,086	226	220	220	220	200	All	New
Civil Engineering Services - Water Networks	Water Tenks		B	Yes	Infrastructure - Water	Dams & Reservoirs	1,299	149	150	250	500	250	22, 25	New
Civil Engineering Services - Water Networks	Upgr Water Network		B	Yes	Infrastructure - Water	Reticulation	12,331	1,331	2,000	3,000	3,000	3,000	All	Renewal
Civil Engineering Services - Water Networks	Replace Fence at Camps		B	Yes	Community	Security and policing	278	278	–	–	–	–	All	Renewal
Civil Engineering Services - Water Networks	George Western Water Supply Pipeline		B	Yes	Infrastructure - Water	Reticulation	25,700	–	12,640	13,060	–	–	All	New
Civil Engineering Services - Water Networks	Thembalethu UISP - Water		B	Yes	Infrastructure - Water	Reticulation	5,618	–	416	1,734	1,734	1,734	13	New
Civil Engineering Services - Water Networks	Radio's & Testing Equipment		B	Yes	Other Assets	Plant & equipment	412	–	40	222	75	75	All	New
Civil Engineering Services - Water Networks	Generators		B	Yes	Other Assets	Plant & equipment	1,500	–	–	500	500	500	All	New
Civil Engineering Services - Water Networks	Hansmoeskraal/Pacaltsdorp Main Line		B	Yes	Infrastructure - Water	Reticulation	7,000	–	–	–	1,000	6,000	23	New
Civil Engineering Services - Water Networks	Kraaibosch Water Line		B	Yes	Infrastructure - Water	Reticulation	1,000	–	–	–	1,000	–	4	New
													9, 10, 21, 11, 13, 12,	
Civil Engineering Services - Water Networks	Thembalethu Bulk Pipeline		B	Yes	Infrastructure - Water	Reticulation	1,500	–	–	–	1,500	–	15	New
Civil Engineering Services - Water Networks	Water Tenker		B	Yes	Other Assets	General vehicles	650	–	–	–	650	–	All	New
Civil Engineering Services - Water Networks	Truck		B	Yes	Other Assets	General vehicles	300	–	–	300	–	–	All	New
Civil Engineering Services - Water Networks	Pacaltsdorp Bulk Reticulation		B	Yes	Infrastructure - Water	Reticulation	3,000	–	–	–	–	3,000	14	New
Civil Engineering Services - Water Networks	Wildernis Bulk Storage		B	Yes	Infrastructure - Water	Dams & Reservoirs	–	–	–	–	–	–	4	New
Civil Engineering Services - Water Networks	Wildernis Heights Reticulation		B	Yes	Infrastructure - Water	Reticulation	300	–	–	–	300	–	4	New
Civil Engineering Services - Water Networks	Telemetry and Loggers		B	Yes	Other Assets	Plant & equipment	600	–	–	–	300	300	All	Renewal

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								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand				6	3	3								
Civil Engineering Services - Water Purification	Raising Garden Route dam		B	Yes	Infrastructure - Water	Dams & Reservoirs	35,482	500	9,740	12,560	6,182	6,500	All	New
Civil Engineering Services - Water Purification	Security Fence - Waterworks		B	Yes	Community	Security and policing	49	49	-	-	-	-	All	New
Civil Engineering Services - Water Purification	Pipeline - Boreholes		B	Yes	Infrastructure - Water	Reticulation	454	454	-	-	-	-	All	New
Civil Engineering Services - Water Purification	Extension of Waterworks		B	Yes	Infrastructure - Water	Reticulation	1,299	299	-	-	-	1,000	All	New
Civil Engineering Services - Water Purification	Upgr Pump Station No.2		B	Yes	Infrastructure - Water	Reticulation	2,032	2,032	-	-	-	-	All	Renewal
Civil Engineering Services - Water Purification	Refurbishment of Waterworks		B	Yes	Infrastructure - Sanitation	Sewerage purification	7,237	3,997	3,240	-	-	-	All	Renewal
Civil Engineering Services - Water Purification	Malgas Pumping Scheme		B	Yes	Infrastructure - Water	Reticulation	23,265	23,265	-	-	-	-	All	New
Civil Engineering Services - Water Purification	Outeniqua Effluent Project		B	Yes	Infrastructure - Water	Reticulation	15,794	15,794	-	-	-	-	All	New
Civil Engineering Services - Water Purification	Bakkie		B	Yes	Other Assets	General vehicles	200	-	-	200	-	-	All	New
Civil Engineering Services - Water Purification	WTW - 3 Reservoirs		B	Yes	Infrastructure - Water	Dams & Reservoirs	11,000	-	-	-	1,000	10,000	All	New
Civil Engineering Services - Water Purification	Blanco Reservoir		B	Yes	Infrastructure - Water	Dams & Reservoirs	500	-	-	-	500	-	1	New
Civil Engineering Services - Water Purification	Telemetry and Loggers		B	Yes	Other Assets	Plant & equipment	1,500	-	-	500	500	500	All	Renewal
Civil Engineering Services - Sewerage Networks	Sewerage Reticulation - Pacaltsdorp		A	Yes	Infrastructure - Sanitation	Reticulation	19,646	4,433	12,013	3,200	-	-	14	New
Civil Engineering Services - Sewerage Networks	Catch pits		A	Yes	Infrastructure - Sanitation	Reticulation	300	150	150	-	-	-	All	New
Civil Engineering Services - Sewerage Networks	Sewerage Network Rehabilitation		A	Yes	Infrastructure - Sanitation	Reticulation	13,532	1,532	4,000	2,000	3,000	3,000	All	Renewal
Civil Engineering Services - Sewerage Networks	Telemetry and Loggers		A	Yes	Other Assets	Plant & equipment	400	-	200	-	200	-	All	Renewal
Civil Engineering Services - Sewerage Networks	Fencing & Roads at Pumpstations		A	Yes	Community	Security and policing	1,500	-	250	250	500	500	All	New
Civil Engineering Services - Sewerage Networks	Upgr Pump Stations		A	Yes	Infrastructure - Water	Dams & Reservoirs	6,220	-	1,720	1,500	1,500	1,500	All	Renewal
Civil Engineering Services - Sewerage Networks	Electrical Switchgear		A	Yes	Infrastructure - Electricity	Transmission & Reticulation	6,000	-	1,500	1,500	1,500	1,500	All	New
Civil Engineering Services - Sewerage Networks	Thembalethu UISP - Sewerage		A	Yes	Infrastructure - Sanitation	Reticulation	16,582	-	1,228	5,118	5,118	5,118	13	New
Civil Engineering Services - Sewerage Networks	Gulleys		A	Yes	Infrastructure - Sanitation	Reticulation	600	-	-	200	200	200	All	New
Civil Engineering Services - Sewerage Networks	Generators		A	Yes	Other Assets	Plant & equipment	7,000	-	-	1,000	3,000	3,000	All	New
Civil Engineering Services - Sewerage Networks	Sewerage Reticulation - Kraaibosch/Victoria Bay		A	Yes	Infrastructure - Sanitation	Reticulation	500	-	-	-	500	-	4	New
Civil Engineering Services - Sewerage Networks	Sewerage Reticulation - Hansmoeskraal		A	Yes	Infrastructure - Sanitation	Reticulation	500	-	-	-	500	-	23	New
Civil Engineering Services - Sewerage Networks	Sewerage Reticulation - Thembalethu		A	Yes	Infrastructure - Sanitation	Reticulation	6,979	-	-	-	6,979	-	21	New
Civil Engineering Services - Sewerage Treatment Works	Tractor		A	Yes	Other Assets	General vehicles	250	250	-	-	-	-	All	New
Civil Engineering Services - Sewerage Treatment Works	Upgr Outeniqua WWTW		A	Yes	Infrastructure - Sanitation	Sewerage purification	50,606	2,610	1,540	-	8,500	37,956	All	Renewal
Civil Engineering Services - Sewerage Treatment Works	Upgr Uniondale WWTW		A	Yes	Infrastructure - Sanitation	Sewerage purification	17,075	-	6,350	10,725	-	-	25	Renewal
Civil Engineering Services - Sewerage Treatment Works	Upgr Kleinikrantz WWTW		A	Yes	Infrastructure - Sanitation	Sewerage purification	22,457	-	1,000	2,718	18,739	-	4	Renewal
Civil Engineering Services - Sewerage Treatment Works	Laboratory Instruments		A	Yes	Other Assets	Plant & equipment	1,260	-	360	300	300	300	All	New
Civil Engineering Services - Sewerage Treatment Works	Outeniqua/Gwaing Sludge Handling		A	Yes	Infrastructure - Sanitation	Sewerage purification	8,000	-	-	7,000	-	1,000	All	New
Civil Engineering Services - Sewerage Treatment Works	Telemetry and Loggers		A	Yes	Other Assets	Plant & equipment	1,500	-	-	500	500	500	All	New

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Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand				6	3	3								
Electro-technical Services														
Electro-technical Services - Fleet Management	Vehicles	O		Yes	Other Assets	General vehicles	2,300	–	300	–	1,000	1,000	All	New
Electro-technical Services - Fleet Management	Petrol Management System	O		Yes	Intangibles	Computers - software & programming	3,000	–	–	–	1,500	1,500	All	New
Electro-technical Services - Distribution	Schaapkop 66kv Substation	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	25,949	21,249	2,700	–	1,000	1,000	All	New
Electro-technical Services - Distribution	Eskom Extension Cost	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	47,850	21,850	20,000	6,000	–	–	All	New
Electro-technical Services - Distribution	Herolds Bay 66kv Substation	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	16,495	1,995	5,000	4,500	3,000	2,000	23	New
Electro-technical Services - Distribution	Electrification - Erf 325	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	14,996	1,303	6,324	7,369	–	–	14	New
Electro-technical Services - Distribution	Reticulation Scheme	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	5,703	1,802	530	–	1,466	1,904	All	New
Electro-technical Services - Distribution	Energy Efficient Streetlights	E		Yes	Infrastructure - Electricity	Street Lighting	4,895	4,895	–	–	–	–	All	New
Electro-technical Services - Distribution	Upgr Low voltage lines	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	6,827	1,327	–	1,500	2,000	2,000	4, 16, 18, 19	Renewal
Electro-technical Services - Distribution	Load Control and Power factor	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	2,260	200	60	–	1,000	1,000	All	New
Electro-technical Services - Distribution	Replace obsolete switchgear & equipment	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	7,978	78	2,400	1,500	2,000	2,000	All	Renewal
Electro-technical Services - Distribution	Computer Software	E		Yes	Intangibles	Computers - software & programming	149	119	–	10	10	10	All	New
Electro-technical Services - Distribution	Furniture & Office equipment	E		Yes	Other Assets	Furniture and other office equipment	547	32	10	116	186	203	All	New
Electro-technical Services - Distribution	Computers	E		Yes	Other Assets	Computers - hardware/equipment	139	9	30	–	50	50	All	New
Electro-technical Services - Distribution	Tools & Electrical Equipment	E		Yes	Other Assets	Plant & equipment	2,380	146	205	480	725	825	All	New
Electro-technical Services - Distribution	Upgr and Extension of 11kv network	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	12,500	–	100	1,500	5,350	5,550	1, 3, 4, 5, 9, 10, 11, 12, 13, 15, 16, 17, 19, 20, 25	Renewal
Electro-technical Services - Distribution	Upgr of Control Centrum	E		Yes	Other Assets	Plant & equipment	500	–	200	200	100	–	All	Renewal
Electro-technical Services - Distribution	Expansion of master plan	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	2,000	–	–	–	1,000	1,000	All	New
Electro-technical Services - Distribution	New Transformers	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	10,000	–	–	–	5,000	5,000	All	New
Electro-technical Services - Distribution	Protea Park 66kv Substation	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	–	–	–	–	–	–	6	New
Electro-technical Services - Distribution	Energy Management	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	200	–	–	–	100	100	All	New
Electro-technical Services - Distribution	Ad-hoc development	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	–	–	–	–	–	–	All	New
Electro-technical Services - Distribution	Reticulation Scheme - Syferfontein	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	500	–	–	500	–	–	23	New
Electro-technical Services - Distribution	Reticulation Scheme - UISP	E		Yes	Infrastructure - Electricity	Transmission & Reticulation	2,500	–	–	1,500	500	500	15	New
Electro-technical Services - Distribution	Upgr & Extension of Buildings	E		Yes	Other Assets	Civic Land and Buildings	–	–	–	–	–	–	All	Renewal
Treasury														
Treasury	Furniture	N		Yes	Other Assets	Furniture and other office equipment	725	45	320	200	80	80	All	New
Treasury	Samras Plus Software	N		Yes	Intangibles	Compter software	675	675	–	–	–	–	All	New
Treasury	Overtime Module	N		Yes	Intangibles	Compter software	150	–	150	–	–	–	All	New
Treasury	Fence at Stores	N		Yes	Community	Security and policing	30	–	–	30	–	–	All	New
Total Capital expenditure								136,635	133,325	150,922	151,908	179,239		

2.8.5 Supporting detail to Schedule A4 to the Budget Schedules

Table 54: Supporting detail to Budgeted Financial Performance

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	125,378	132,374	149,645	172,049	165,049	165,049	181,679	191,607	203,103
less Revenue Foregone	25,048	27,883	30,897	32,550	32,550	32,550	37,832	40,143	42,608
Net Property Rates	100,329	104,491	118,748	139,499	132,499	132,499	143,847	151,464	160,495
Service charges - electricity revenue									
Total Service charges - electricity revenue	212,090	267,361	310,240	398,479	381,179	381,179	409,170	445,225	479,825
less Revenue Foregone							298	320	344
Net Service charges - electricity revenue	212,090	267,361	310,240	398,479	381,179	381,179	408,871	444,905	479,481
Service charges - water revenue									
Total Service charges - water revenue	62,936	56,002	61,864	95,316	85,316	85,316	91,173	95,054	100,757
less Revenue Foregone							17,432	18,695	20,120
Net Service charges - water revenue	62,936	56,002	61,864	95,316	85,316	85,316	73,742	76,358	80,637
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	44,889	40,852	46,462	62,118	66,155	66,155	71,297	76,893	82,929
less Revenue Foregone							13,068	14,015	15,083
Net Service charges - sanitation revenue	44,889	40,852	46,462	62,118	66,155	66,155	58,230	62,879	67,846
Service charges - refuse revenue									
Total refuse removal revenue	33,334	26,305	30,484	48,472	49,830	49,830	53,807	58,000	62,520
Total landfill revenue	-	-	-	-	-	-	-	-	-
less Revenue Foregone	-	-	-	-	-	-	14,875	15,954	17,170
Net Service charges - refuse revenue	33,334	26,305	30,484	48,472	49,830	49,830	38,932	42,046	45,351
Other Revenue by source									
Building Plan fees and related income	5,853	4,519	4,028	1,700	1,800	1,800	1,908	2,022	2,144
Sundry income	10,553	6,425	5,917	5,606	6,062	6,062	12,523	4,775	5,038
Total 'Other' Revenue	16,406	10,943	9,945	7,306	7,862	7,862	14,431	6,797	7,182
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	107,244	119,922	128,881	151,957	149,983	149,983	164,895	174,205	184,255
Pension and UIF Contributions	17,614	19,457	21,637	24,646	24,646	24,646	27,629	29,287	31,044
Medical Aid Contributions	6,364	7,274	8,655	13,022	13,022	13,022	14,877	15,770	16,717
Overtime	13,212	11,425	13,775	8,578	12,946	12,946	12,499	14,181	14,933
Performance Bonus	900	943	120	1,040	916	916	1,155	1,213	1,273
Motor Vehicle Allowance	7,095	6,992	7,799	8,164	8,194	8,194	9,480	10,049	10,652
Cellphone Allowance	460	518	510	433	433	433	443	470	498
Housing Allowances	1,641	1,426	1,271	1,125	1,125	1,125	1,246	1,321	1,400
Other benefits and allowances	9,197	17,096	16,910	11,875	14,140	14,140	16,821	17,705	18,673
Payments in lieu of leave	7,410	13,655	10,048	10,481	10,447	10,447	11,542	12,234	12,969
Long service awards	1,029	810	919	-	-	-	-	-	-
Post-retirement benefit obligations	9,553	20,222	17,731	-	-	-	-	-	-
sub-total	181,719	219,740	228,257	231,321	235,852	235,852	260,586	276,434	292,414
Less: Employees costs capitalised to PPE	-	-	513	-	-	-	-	-	-
Total Employee related costs	181,719	219,740	227,743	231,321	235,852	235,852	260,586	276,434	292,414
Contributions recognised - capital									
Capital contributions	8,845	5,778	5,627	5,610	5,610	5,610	5,947	6,303	6,682
Second Dwellings	592	197	179	282	282	282	299	317	336
Contribution to Parking facilities	2,224	708	392	-	-	-	-	-	-
Begintigingsgelde	59	25	-	-	-	-	-	-	-
Sale of Erven	1,823	10,763	5,356	-	-	-	-	-	-
Total Contributions recognised - capital	13,543	17,472	11,555	5,892	5,892	5,892	6,246	6,620	7,018

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Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
<u>Depreciation & asset impairment</u>									
Depreciation of Property, Plant & Equipment	56,892	79,201	94,059	92,452	103,696	103,696	101,989	95,038	91,034
Lease amortisation	275	362	442	–	–	–	–	–	–
Capital asset impairment	3,287	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	60,454	79,563	94,501	92,452	103,696	103,696	101,989	95,038	91,034
<u>Bulk purchases</u>									
Electricity Bulk Purchases	119,763	151,841	192,836	249,284	247,284	247,284	279,863	317,694	360,699
Water Bulk Purchases	–	–	–	–	–	–	–	–	–
Total bulk purchases	119,763	151,841	192,836	249,284	247,284	247,284	279,863	317,694	360,699
<u>Transfers and grants</u>									
Cash transfers and grants	6,250	5,508	5,124	1,167	1,434	1,434	1,424	1,424	1,424
Non-cash transfers and grants	35,075	–	–	64,027	63,077	63,077	587	652	723
Total transfers and grants	41,324	5,508	5,124	65,194	64,511	64,511	2,011	2,076	2,147
<u>Contracted services</u>									
Housing Projects	15,483	5,929	63,744	47,458	72,964	72,964	25,420	18,174	20,062
Proclaimed Roads	185	286	406	218	218	218	29,794	31,665	9,615
Integrated Transport Services	–	–	–	–	9,000	9,000	10,000	23,950	20,595
Traffic Contractors	4,281	666	4,257	3,611	4,722	4,722	4,723	4,733	4,733
Electricity Contractors	7,370	8,506	10,176	10,585	10,585	10,585	10,720	10,730	10,730
Refuse Contractors	745	1,710	2,145	2,607	3,078	3,078	3,054	2,825	2,957
Parks and Garden Contractors	2,483	2,514	3,008	2,700	2,790	2,790	2,780	2,790	2,790
Dumping Site Contractors	4,554	3,573	3,473	4,392	4,134	4,134	4,179	4,189	4,189
Town Planning Contractors	1,158	832	619	1,485	1,105	1,105	1,105	1,105	1,105
Internal Auditors	3,005	2,209	2,546	2,500	2,500	2,500	2,590	2,600	2,600
Financial Services Contractors	1,897	1,757	1,910	1,725	2,035	2,035	2,025	2,035	2,035
Street Cleansing Contractors	493	602	590	345	270	270	440	440	440
Other Contracted Services	7,060	5,454	1,753	3,093	3,239	3,239	3,544	3,051	3,051
Total contracted services	48,713	34,039	94,627	80,719	116,640	116,640	100,374	108,287	84,902
<u>Other Expenditure By Type</u>									
Collection costs	4,319	5,602	5,960	5,500	2,690	2,690	500	–	–
Contributions to 'other' provisions	–	–	–	500	500	500	–	–	–
Consultant fees	1,818	1,606	1,581	1,564	1,358	1,358	2,250	2,050	2,050
Audit fees	1,711	2,582	3,333	2,600	3,900	3,900	3,960	3,960	3,960
General expenses									
Advertising cost	1,182	903	953	1,028	1,237	1,237	989	1,005	1,011
Bank charges	1,058	1,001	906	1,000	1,000	1,000	1,000	1,000	1,000
Chemicals	9,737	7,165	7,249	9,107	9,207	9,207	10,430	10,541	10,702
Flood damage	17,988	500	1,476	1,600	534	534	–	–	–
Insurance	3,390	1,354	1,867	2,887	2,915	2,915	2,697	2,697	2,697
Lease rentals on operating leases	1,240	1,535	1,047	1,541	1,163	1,163	1,165	1,190	1,190
Motor vehicle expenses	9,320	8,495	8,900	11,877	12,225	12,225	12,480	12,691	12,898
Printing and Stationery	2,234	1,976	1,892	2,465	1,987	1,987	1,951	1,957	1,963
Telephone and fax	2,031	1,767	1,512	1,680	1,677	1,677	1,568	1,589	1,611
Training	1,902	1,007	1,138	1,210	378	378	800	800	800
Maintenance - Streets and Stormwater Network	16,500	18,315	18,247	18,650	14,412	14,412	18,601	19,334	20,141
Maintenance - Electricity Network	9,593	6,252	5,435	8,801	5,541	5,541	6,557	6,954	7,275
Maintenance - Water Network	6,410	5,922	3,222	7,470	6,487	6,487	6,790	7,104	7,434
Maintenance - Sewerage Network	5,640	6,105	8,972	8,876	8,859	8,859	5,500	6,060	6,620
Maintenance of machines	1,630	1,863	3,266	3,011	2,815	2,815	3,166	3,346	3,539
Other General Expenses	57,103	76,647	68,231	71,032	64,342	64,342	67,076	68,342	70,146
Total 'Other' Expenditure	154,806	150,596	145,187	162,400	143,225	143,225	147,480	150,621	155,039
by Expenditure Item									
Employee related costs									
Other materials									
Contracted Services									
Other Expenditure	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994
Total Repairs and Maintenance Expenditure	53,999	52,446	55,364	65,113	56,692	56,692	64,618	67,776	70,994

2.8.6 Supporting detail to Schedule A6 to the Budget Schedules

Table 55: Supporting detail to Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
ASSETS										
<u>Call investment deposits</u>										
Call deposits < 90 days		-	-	-	-	-	-	-	-	-
Other current investments > 90 days		-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>										
Consumer debtors		84,111	97,665	107,134	97,184	97,184	97,184	92,184	87,575	83,196
Less: Provision for debt impairment		(23,717)	(26,935)	(32,776)	(20,000)	(20,000)	(20,000)	(26,800)	(36,800)	(44,989)
Total Consumer debtors	2	60,395	70,730	74,358	77,184	77,184	77,184	65,384	50,775	38,207
<u>Debt impairment provision</u>										
Balance at the beginning of the year		32,285	23,717	26,935	23,000	23,000	23,000	20,000	26,800	36,800
Contributions to the provision		1,200	10,082	29,093	11,476	11,476	11,476	21,294	21,692	30,892
Bad debts written off		(9,767)	(6,863)	(23,252)	(14,476)	(14,476)	(14,476)	(14,494)	(11,692)	(22,703)
Balance at end of year		23,717	26,935	32,776	20,000	20,000	20,000	26,800	36,800	44,989
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)		2,062,456	2,216,123	2,299,153	2,616,492	2,405,693	2,405,693	2,556,605	2,707,003	2,884,294
Leases recognised as PPE	3	695	695	-	-	-	-	10,650	12,650	14,650
Less: Accumulated depreciation		329,326	340,213	433,223	512,517	536,920	536,920	638,908	733,946	824,980
Total Property, plant and equipment (PPE)	2	1,733,825	1,876,605	1,865,929	2,103,975	1,868,773	1,868,773	1,928,346	1,985,707	2,073,963
LIABILITIES										
<u>Current liabilities - Borrowing</u>										
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		20,362	26,064	30,533	30,819	32,557	32,557	35,932	39,665	43,398
Total Current liabilities - Borrowing		20,362	26,064	30,533	30,819	32,557	32,557	35,932	39,665	43,398
<u>Trade and other payables</u>										
Trade and other creditors		64,152	83,811	93,220	59,667	59,949	59,949	63,247	68,066	53,982
Unspent conditional transfers		18,660	13,412	34,311	282	29,372	29,372	22,000	23,600	22,560
VAT		1,607	6,062	16,012	-	-	-	-	-	-
Total Trade and other payables	2	84,419	103,284	143,544	59,949	89,320	89,320	85,247	91,666	76,542
<u>Non current liabilities - Borrowing</u>										
Borrowing	4	389,968	487,384	520,870	534,734	488,027	488,027	453,031	413,366	369,968
Finance leases (including PPP asset element)		4	-	-	-	-	-	9,650	10,800	9,000
Total Non current liabilities - Borrowing		389,972	487,384	520,870	534,734	488,027	488,027	462,681	424,166	378,968
<u>Provisions - non-current</u>										
Retirement benefits		63,706	79,551	92,521	82,838	82,838	82,838	94,436	100,102	103,105
List other major provision items		-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-
Other		-	725	750	-	-	-	-	-	-
Total Provisions - non-current		63,706	80,276	93,271	82,838	82,838	82,838	94,436	100,102	103,105
CHANGES IN NET ASSETS										
<u>Accumulated Surplus/(Deficit)</u>										
Accumulated Surplus/(Deficit) - opening balance		1,356,400	1,752,784	1,754,409	1,806,766	1,743,465	1,743,465	1,890,895	1,947,078	2,012,382
GRAP adjustments		-	-	-	-	-	-	-	-	-
Restated balance		1,356,400	1,752,784	1,754,409	1,806,766	1,743,465	1,743,465	1,890,895	1,947,078	2,012,382
Surplus/(Deficit)		22,671	3,489	(10,316)	23,291	20,353	20,353	59,329	36,657	45,623
Appropriations to Reserves		(4,280)	-	-	-	-	-	-	-	-
Transfers from Reserves		(61,541)	(1,864)	(628)	-	-	-	-	-	-
Depreciation offsets		12,771	-	-	-	-	-	-	-	-
Other adjustments		32,521	-	-	-	127,076	127,076	(16,340)	17,905	46,381
Accumulated Surplus/(Deficit)	1	1,356,541	1,754,409	1,743,465	1,830,056	1,890,895	1,890,895	1,933,883	2,001,641	2,104,387
<u>Reserves</u>										
Housing Development Fund		70,685	70,083	70,711	81,511	52,626	52,626	74,246	77,959	81,856
Capital replacement		6,830	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-
Other reserves		329,372	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-
Total Reserves	2	406,886	70,083	70,711	81,511	52,626	52,626	74,246	77,959	81,856
TOTAL COMMUNITY WEALTH/EQUITY	2	1,765,427	1,824,492	1,814,176	1,911,567	1,943,521	1,943,521	2,008,129	2,079,599	2,186,243

2.9 Municipal Manager's Quality Certificate

I, TRECOR BOTHA....., The Municipal Manager of George Municipality hereby certify that the annual budget and supporting documentation for the 2012/2013 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the draft budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name

TRECOR BOTHA

Municipal Manager of

GEORGE (WCOLL)

Signature



Date

29 10S / 2012

